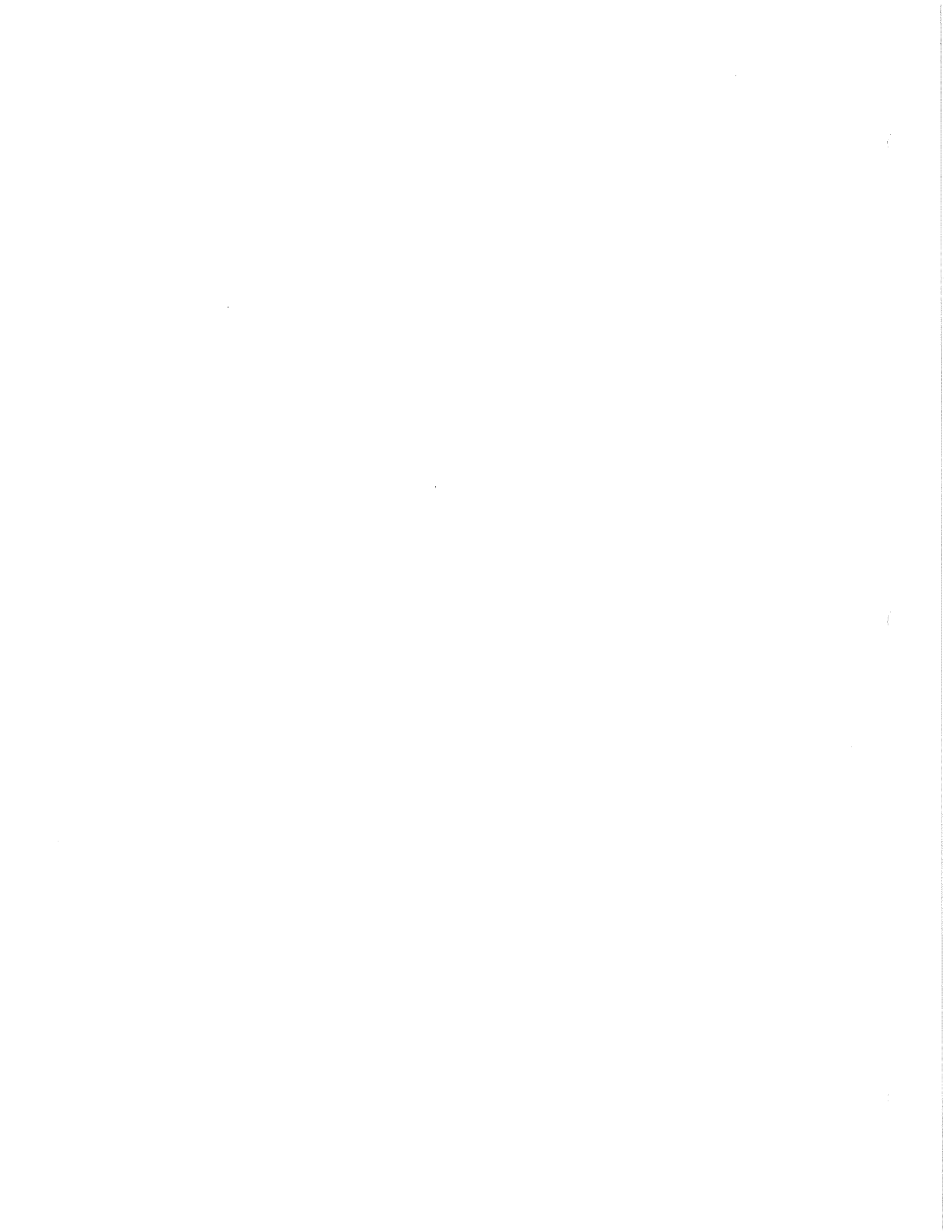


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STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Approval of the August 21, 2012
SPCSA Board Meeting minutes

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 2

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Kathleen Conaboy, Chair, State Public Charter School Authority

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

August 24, 2012

Nevada Legislature
Room 2135
401 South Carson Street
Carson City, Nevada

And

Grant Sawyer Building
Room 4412
555 East Washington Avenue
Las Vegas, Nevada

MINUTES OF THE REGULAR MEETING
(Videoconferenced)

BOARD MEMBERS PRESENT:

In Las Vegas:

Kathleen Conaboy
Michael Van
Robert McCord
Nora Luna
Elissa Wahl
Marc Abelman

In Carson City

Melissa Mackedon

AUTHORITY STAFF PRESENT:

In Las Vegas:

Dr. Steve Canavero PhD

In Carson City:

Katherine Rohrer, Education Program Professional, State Public Charter School Authority
Angela Blair, Education Program Professional, State Public Charter School Authority
Allyson Kellogg, Management Analyst, State Public Charter School Authority
Danny Peltier, Administrative Assistant, State Public Charter School Authority

LEGAL STAFF PRESENT:

In Las Vegas:

None

In Carson City:

Shane Chesney, Senior Deputy Attorney General

AUDIENCE IN ATTENDANCE:**In Las Vegas:**

Richard Moreno
 Ryan Reeves
 Ruth Parker
 Heidi Arbuckle
 David Calvo
 Jennifer Burbank
 Valerie Blake

In Carson City:

Judy Osgood
 Brian Flanner
 Jennifer Dukek

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

President Conaboy called the meeting to order at 9:04a.m. with attendance as reflected above.

Agenda Item - Public Comment

None

Agenda Item 2 – Approval of June 29, 2012 Meeting Minutes

Member Luna made a motion for approval of the July 31, 2012 SPCSA meeting minutes. Vice President Wahl seconded the motion. There was no discussion. President Conaboy abstained due to her absence at the July 31, 2012 meeting. The motion carried unanimously.

Agenda Item 5 – Common Challenges and Promising Practices of Independent Statewide Chartering Boards – presentation of work funded through a grant from the National Governors Association

Director Canavero began by thanking Ms. Judy Osgood, Senior Policy Analyst in the Office of Governor Sandoval, for her work in assisting the State Public Charter School Authority in collaborating with Paul O’Neil. Ms. Osgood began by introducing a project she had been working on with Director Canavero. The project, Common Challenges and Promising Practices of Independent Statewide Chartering Boards, is a joint project between the National Governors’ Association Center for Best Practices and the Center for School Change at McAllister College at the University of Minnesota. The project provided technical assistance to Nevada to help the SPCSA improve as an independent chartering board.

Ms. Osgood introduced Paul O’Neill, consultant to the NGA and advisor to any organizations on the complexities of educational organizations. Mr. O’Neill outlined the different types of charter school authorizers throughout the country, including independent state charter boards. He said that Independent Charter Boards (ICB), which exist in 12 states, are different from other authorizing entities because they have a singular purpose, namely to approve and oversee charter schools and hold them accountable for quality. This singular focus may have considerable benefits but also brings with it unique challenges.

After Mr. O’Neill gave background, benefits, and concerns of ICBs, he presented several recommendations to the Authority. These recommendations are included in his report which is appended of these minutes. During the discussion between Mr. O’Neill and the Authority, Deputy Attorney Chesney asked if Mr. O’Neill looked at the Nevada Revised Statute (NRS) with regard to the local educational control issue in Nevada. Mr. O’Neill said he had and opined that NRS does not appear to conflict with the recommendations and future work of the SPCSA. He said that it is the kind of provision that if it was in the Constitution then there could be challenges, but since it is not then it should not become an issue.

Discussion continued between the Authority and Mr. O'Neill. Member Mackedon asked if there could be an additional interview from applicants to gauge their capacity to operate a school. Director Canavero said that as of now, the SPCSA has taken the issue into account and will be vigilant of that during the interview process that is already in place. Director Canavero finished up by saying that after the meeting Mr. O'Neill would be sending him a report about the Local Education Agency status of the SPCSA.

Agenda Item 4 – Director's Report

Director Canavero began his report by detailing staffing at the SPCSA. He said that he is still working to fill the open positions that have been discussed at prior meetings. Hiring of the Administrative Services Officer was completed and all that was left was salary negotiations. He also talked about the upcoming National Association of Charter School Authorizer Leadership Conference that will be taking place in Memphis October 22 through October 25. He said that President Conaboy and Member McCord would also be attending the conference with him.

Director Canavero then moved on to student health in charter schools. He said that Tom McCormack met with Assemblywoman Smith to discuss maintaining a safe and healthy environment for students in charter schools. The main question during the meeting was the self-administration versus school-administration of EpiPens.

Director Canavero acknowledged the Charter School Association of Nevada (CSAN) for holding a records retention meeting at Nevada State High School. Wendi Hawk organized the meeting and Director Canavero also took part. He said that the main concern of the meeting was to ensure a smooth transition of student records when students change schools.

Director Canavero finished with an update on the Legislative Committee on Education and the bills they chose to move forward on behalf of the SPCSA. He said they chose to move the facilities bill, lottery enrollment, and performance framework bills to the 2013 Legislative session.

Discussion turned to the weighted model funding when Member Wahl asked about the percentage charter schools pay as a fee to the SPCSA. She said that Mr. O'Neill's presentation said that many states receive 3% from their charter schools and whether the SPCSA was going to move to 3% with its charter schools. Director Canavero said that the SPCSA has the authority in NRS to charge charter schools up to 2%. He said that currently the SPCSA is charging 1.5% and the upcoming three fiscal year budgets were built with the 1.5% fee built in.

President Conaboy wanted to clarify that the scope of the weighted funding study was to review the possibility of weighting categories of students -- such as English Language Learners and students eligible for Free and Reduced Lunch -- to receive funding beyond the DSA. The interim study did not deal with infrastructure funding or the funds collected by the SPCSA via a percentage fee charged to authorize schools. .

Agenda Item 6 – Approval of Conversion of the Subsection 7 Charter to Subsection 5 Charter of the Pinecrest Academy

Director Canavero began by detailing the conversion process that Pinecrest had undertaken. He said the school had satisfied the conditions for conversion and the SPCSA staff recommended to the Authority full conversion to a Subsection 5 Charter from a Subsection 7 Charter.

Member Mackedon asked where Pinecrest would be located in Clark County. Director Canavero asked that Ryan Reeves, Pinecrest Academy, give some background to the location of Pinecrest Academy. Mr. Reeves said the school would be located in Henderson, Nevada. Mr. Reeves also said that east Henderson has not had a facility-based charter school available to the community, and because of that Pinecrest Academy's enrollment was very strong.

Member Abelman made a motion for approval of conversion of the Subsection 7 Charter to Subsection 5 Charter of the Pinecrest Academy. Vice President Wahl seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 7 – Overview of the Elementary and Secondary Education Act (ESEA) Flexibility Waiver as submitted by the Nevada Department of Education and conditionally approved by USED

Dr. Katherine Rohrer began by giving a brief background of the approval process that the Nevada Department of Education and the United States Department of Education went through in order for Nevada to be approved for the Elementary and Secondary Education Act waiver. Dr. Rohrer said NACSA has been working closely with different states and USED to help clarify what the ESEA waiver would mean to charter schools. She also said that Director Canavero has been very diligent in working with the Nevada Department of Education to make sure the assurances in the ESEA waiver extended to charter schools without interfering with Nevada's charter school autonomy as defined by NRS. The framework will be implemented in a way to protect charter school authorizers in their ability to close charter schools due to lack of performance, as provided for in their charter agreements.

Director Canavero also said there is a concern among charter schools that the ESEA waiver will require LEAs and school districts to limit charter schools' autonomy. One of the limits may be the requirement of charter schools to implement a teacher evaluation system that was spelled out in the Nevada Department of Education's ESEA waiver application. The other loss of autonomy could be how a charter school can respond to its own underperformance. Schools through the ESEA waiver can be identified as reward, priority, or focus and that would mean schools that were classified as "priority" or "focus" would be required to put into place some measures to correct the lack of performance. Director Canavero said the fear of this requirement is it might impose upon a school and its autonomy along with imposing on the authorizer's ability to hold the school accountable. Director Canavero then gave some examples of how these scenarios might come to fruition. He said that when these questions came up, NACSA worked with USED to help sort out how the waiver wouldn't decrease the autonomy of the school or decrease an authorizer's ability to act upon low performing schools. Discussion then continued between Director Canavero, Dr. Rohrer, and the Authority about how autonomy loss would be avoided at the SPCSA-sponsored schools.

Agenda Item 8 – Overview and discussion of the leaver and cohort graduation rate formulas and Authority-sponsored charter school's graduation rates

Dr. Rohrer then moved onto an explanation of the leaver and cohort graduation rate formulas and the Authority-sponsored charter school's graduation rates. Dr. Rohrer worked with all the schools in order to reflect the most accurate graduation data available. She said that some of the data from some of the schools was missing and that affected their cohort rate. Dr. Rohrer said the average graduation rate for Authority-sponsored charter schools was 27.84%. Data was based on the 2010 – 2011 school year. Dr. Rohrer then detailed how the formulas for graduation work for the Authority. Director Canavero also added that the data set used for the cohort graduation rate originates with the school. When a pupil enrolls they are entered into a student information system and that system tracks the progress of the pupil through their route to graduation.

Dr. Rohrer continued her presentation by comparing the differences with the leaver rate and the cohort rate and why the two rates had different graduation percentages. Dr. Rohrer said the four-year adjusted cohort graduation rate was defined as: a graduate considered a student who graduates in four years or less with a standard, advanced, or adult diploma. A student who leaves school after four years with a certificate of attendance, adjusted diploma, or high school equivalency diploma is not considered a graduate. Dr. Rohrer then explained the leaver rate as: the percentage of students leaving high school with a standard, advanced, or adult diploma compared to the total number of students leaving with a certificate of attendance or other completion credential, or who have dropped out. She then added that the biggest change between the leaver

rate and the cohort rate was how the graduate was defined in the student information systems. The cohort graduation rate considers a graduate to be a student who completed high school in four years or less.

Dr. Rohrer and Director Canavero then detailed the charter school's graduation rate and the reaction by the public to the data released. Dr. Rohrer said that she had received an inquiry from a local newspaper in regard to one of the charter schools but no story in the paper was ever found. Dr. Rohrer also noted that this is only one year of data and as the SPCSA-sponsored schools get better at reporting their data, the graduation rates will increase. Discussion continued between the Authority and Dr. Rohrer.

Member Mackedon said that right, wrong, or indifferent this is the data that has been reported and the SPCSA-sponsored schools need to be on par with the rest of Nevada's public schools.

Agenda Item 9 – Discussion of the draft performance frameworks for SPCSA-sponsored charter schools. The discussion will center on the Financial framework as well as update the Authority on the Academic and Organizational frameworks.

Director Canavero said that the development of the Financial framework has progressed well. Staff, with the help of a small group of charter school administrators, was able to put together the framework to measure the long-term financial stability for each charter school. Member McCord asked how the financial information was collected. Director Canavero said that it was collected by an independent third party audit that each charter school is required to complete annually. Member McCord also asked about the variance of each individual audit. Member McCord said there is not a real specific standard that has been established by audit firms with regard to 501(c)(3) type organizations, and this is concerning for SPCSA staff with regard the variance in audit results that may come about.

Director Canavero called for more discussion regarding the due diligence of SPCSA staff for the independent audits. He said he also recognized that the Authority will have some liability in trusting the results from the various independent audits. Discussion continued between the Authority and Director Canavero.

Director Canavero finished the discussion by saying the most important thing for the schools was clarity in the frameworks. To have clear benchmarks established that schools and the SPCSA can agree on, and when some of those marks are met then certain procedures begin.

Agenda Item 10 – Overview of the SPCSA's FY14/15 budget. The discussion will include the performance measures as required by the Priorities and Performance Based Budgeting.

Director Canavero explained to the Authority the process that SPCSA staff has been taking part in with the Governor's office in setting up the Fiscal Year 14 and 15 budgets for the SPCSA. Each agency is required to create a budget using the Priorities and Performance Based Budgeting measures that were established by the Governor's office. The FY14/15 budget for the SPCSA is broken down into two principle activities: Quality Charter School Authorizing and Technical Assistance and Support. Within each of those activities there were performance measures set to help gauge whether the SPCSA has met its two established activities.

Agenda Item 11 – Update on the successful administration and implementation of federal entitlement programs.

Angela Blair updated the Authority on Title I, Title IIa, and Title III money the SPCSA has received on behalf of the schools. Ms. Blair said that seven schools had been selected to develop and distribute Title I funds. These schools were chosen based on the population of Free and Reduced Lunch pupils at their schools. She said that each of the Title I eligible schools were required to set three goals in distributing the Title I money and each school would be required to develop and turn in a School Improvement Plan.

Ms. Blair then moved onto discussion regarding Title IIa money. She said that Title IIa funds target schools with the lowest proportion of highly qualified teachers, the largest class sizes, or are identified for school

improvement under Section 1116(b) of the Title I-A [Section 2122 (b)(3)]. She then gave a few examples how she, and the SPCSA staff, has been gathering data to consider whether to target funds to help meet with the Title I responsibilities. Member Mackedon asked if only Title I schools would be eligible for Title IIa money. Ms. Blair said no, all schools are eligible, but Title I schools would be first.

Ms. Blair then spoke about the Title III funds that target English Language Learners (ELL). She said that SPCSA-sponsored schools had only identified 66 total students who require ELL services. She said that Nevada required a minimum of 87 to 90 ELL students to qualify for the minimum of \$10,000. She said data collection was probably one of the main reasons the SPCSA-sponsored schools reported such a low ELL student population. As the data collection becomes more accurate she believes our schools will qualify for more Title III funds.

Ms. Blair closed by saying the SPCSA had qualified for \$5,200 for the Migrant student population numbers. She said these funds would target professional development for teachers in sheltered instruction.

Agenda Item 12 – Report on the Letters of Intent received by the Authority as of August 24, 2012 and discussion related to the application review process and timeline.

Director Canavero reported that staff had received 12 Letters of Intent, which meant staff was expecting 12 charter school applications. Member McCord asked if there were any charter school replications. Director Canavero said, while there is not an exact definition of replication, yes there were some schools which could be considered replications. Questions from SPCSA members were asked with regard to specific letters of intent that had been received. Discussion about how to schedule the charter school applicants at the next SPCSA meeting was had.

Agenda Item 13 – Discussion and possible action related to the consideration of an independent third party evaluation of the operation of charter schools in Nevada. Discussion may include the purpose of the study and interaction with strategic plan.

Member McCord wanted the Authority to consider looking into conducting a third party study of Nevada charter schools. He said the school districts were very much in favor of having such a study. Member McCord said he understands the cost involved with undertaking such a large study, but he would like to see some third party data that could be used to set a baseline for charter schools in Nevada. Member Abelman voiced his support for the idea.

Director Canavero said he understood the appetite of the Authority for this type of data, but wondered if SPCSA staff might have the capacity to gather some of the information, depending on what type of information the Authority was looking for. Then from the data gathered by staff, the Authority could then decide if they would want the additional third party study.

Members of the Authority offered reasons in support of the idea and also not in support of the idea. Member Mackedon asked who would be doing the study. Member McCord said that he didn't have anyone particular in mind. He wanted the Authority to remember that charter schools in Nevada are growing extremely fast and he thinks now would be the best time to establish the baseline data.

The Authority decided not to take action on the item. They said it would be better to keep the item on future agendas to explore the details further. Member McCord thanked the Authority for considering the item and Member Van wanted to ensure this would stay on the agenda at future meetings.

Agenda Item 14 – Discussion and possible action on the development of a subcommittee of the Authority empowered to speak on behalf of members at the legislature.

President Conaboy began discussion by explaining why a formation of this legislative subcommittee was necessary. She felt it would be beneficial to the Authority to specify which members would reach out to the

Legislature on behalf of the whole body. As she was explaining, Deputy Attorney General Chesney said that a subcommittee would probably not be the best idea for this situation. He said a subcommittee would be required to meet under Open Meeting Laws and he didn't think that was the intention of the chair. President Conaboy agreed and Deputy Attorney General Chesney recommended calling the members Legislative Liaisons who would have the power to speak on behalf of the Authority to Legislators.

Member Van made a motion for the appointment of Member Luna, Member McCord, and President Conaboy as Legislative Liaisons. Member Abelman seconded the motion. No discussion was had. The motion carried unanimously.

Agenda Item 3 – Authority Update

President Conaboy started by explaining some of the issues that came up at the Legislative Committee on Education's meeting. One issue that was discussed was when Member Wahl asked where the initiation of the pay-for-performance legislation originated. President Conaboy said she was unsure, but looking into it.

President Conaboy said that Director Canavero's performance contracting presentation was well-received by the LCE and received unanimous support. President Conaboy said that Assemblyman Stewart and Assemblyman Munford were very supportive of this during the LCE meeting. President Conaboy said that there was no motion on the evaluation process.

Director Canavero was then asked to update the board on the weighted funding model that had been discussed at the LCE meeting. The new models all will significantly increase Distributive School Account funding to the SPCSA-sponsored charter schools with regard to special education. The lowest increase in special education funding would be 453 percent. Member McCord added that the adequacy of weighted funding was the basis of litigation.

Agenda Item 15 – Future Agenda Items

President Conaboy asked the members if they had any agenda items they would like to see on future agendas. Member Van said he would like to see the Independent Auditing issues on a future agenda. Member McCord asked that charter school replication grants be on future agendas. Member Mackedon asked that the Student Achievement data that was yet to be released be included on the agenda when the information is made public.

Agenda Item 16 – Member Comment

Member Luna passed out invitations to the Nevada Hispanic Legislative Caucus. Member Wahl asked if the SPCSA budget included bill tracking funding. President Conaboy said there is a free service located at the Legislative Counsel Bureau's website.

Agenda Item 17 – Public Comment

None

Agenda Item 18 – Next Meeting Date

The Authority decided to have a two day meeting for the charter school application review. The next meeting will be October 18 and October 19, 2012.

Member Van made a motion for adjournment. Member McCord seconded the motion. No discussion was had. The motion carried unanimously.

The meeting was adjourned at 2:35 p.m.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Authority Update

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 3

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Kathleen Conaboy, Chair, State Public Charter School Authority

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND: Chair Conaboy will give the Authority an update of recent events.

SUBMITTED BY: _____

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

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

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 4

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Doral Academy of Nevada's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 5

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Approve: Approve a Subsection 7 charter*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Doral Academy of Nevada

Charter School Application Recommendation Report

Proposal Overview

School Name

Doral Academy of Nevada

Mission (Application Item A.1.2)

Doral Academy of Nevada is dedicated to providing an enhanced educational experience that will develop outstanding student achievement with focus on each child being well rounded in all parts of education. It prepares students in an academically challenging and personally meaningful learning environment with an emphasis on arts integration that can increase literacy, cognitive and social development. A collaborative effort between students, teachers, parents, and staff are devoted to establish, monitor, achieve, and celebrate individual goals for each child at Doral Academy of Nevada.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-5	k-5	300
Year 2 (2014)	k-6	k-6	525
At capacity	k-8	k-8	675

School Designation

Recommendation

Overall Recommendation

- **Approve: Approve a Subsection 7 charter**

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Meets the standard

Section 2. Operations Plan

- Meets the standard

Section 3. Financial Plan

- Approaches the standard

Section 4. Performance Record

- Meets the standard

Section 5. Evidence of Capacity

- Meets the standard

Education Program Design

Rating

- *Meets the standard*

Plan Summary

Doral Academy of Nevada proposes to provide an infusion and integration of the arts into the core curriculum for students in grades K-8. Nevada and Common Core standards are the proposed curricula. Instructional strategies will include teacher modeling, scaffolding, group practice, peer teaching, integration, and practice and review. The educational program of this school is a replication of Doral charter schools located in Florida.

Analysis

The Review Team observed that the Education Program presented in the Doral Academy application was similar to the Education Program presented in the Ben Gamla of Nevada application. The review of the Education Program within the unique context of each school and the Committee's vision yielded two very different ratings.

The Education Program as clarified by the Committee during the Capacity Interview met criteria for approval.

Despite the stated emphasis on arts integration into the core curriculum, the application did not sufficiently explain a specific pedagogy for arts infused instruction or provide the emphasis in the curriculum on incorporating art. In general, the curriculum and instructional strategies in the application did not appear uniquely tailored to align with the school's mission. However, in the Capacity Interview the Committee provided a detailed description of the instructional strategies they intended to see at the school as well as a clear explanation of how arts would be infused into the curriculum. The Committee's response provided the Review Team with confidence that they would oversee and devote resources to the continued development of the education program at Doral Nevada.

The Committee's target population study demonstrated an in-depth analysis of how students were currently served within the targeted school location.

The application provided a list of what professional development activities that would occur at the school but did not provide a sense of a comprehensive professional development program guided by a clear and specific vision. When pressed in the Capacity Interview, the Committee was able to generally explain their approach to providing meaningful professional development and acknowledged the need for their principal to work collaboratively with Doral to implement best practices.

Operations Plan

Rating

- *Meets the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Joani Zibert-Williams, parent; Jerod Allen; Erin Bedich, educator; Boone Cragun, law; Abram Swenson, accounting; Julianna Turley, educator; and Andre Winslow

According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would contract with two Educational Management Organizations (EMO) to assist with the provision of educational services at the school: Academica Nevada and Doral Academy. The school would not provide distance education courses and/or programs.

The school would hire a principal, office manager, fourteen teachers, and three teacher aides. The student:teacher ratio would be 25:1. Three “specialists” and one special education teacher would also staff the school. The application does not identify the school’s administrator.

Analysis

The Operations Plan met criteria for approval because the organizational structure was sound. The Committee intends to contract with Academica Nevada for a range of services related to operations and management.

The staffing and human resources plan proposed a viable, if not standard, strategy to recruit human capital to the school and retain effective teachers and leaders. The Committee clarified their proposed hiring practices adding a more rigorous standard to ensure the fidelity of the school’s mission within the instructional core and leadership. The Committee conveyed that the arts infusion would provide a strong incentive for teachers and aid in the recruitment of appropriate candidates.

The Committee planned to use Parent Involvement Agreements; such agreements shall not be reason to deny the initial enrollment or continued enrollment of pupils. The proposed enrollment lottery was unclear as described and the Review Team recommended that the Committee clarify which students would be subject to the first year lottery or consider adopting the Authority’s model lottery description.

The Committee is commended for including language to clarify how and by whom the board will identify its future members.

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

Pre-opening budgeted revenue of \$25,000 was uncertain, all yet-to-be-obtained donations, federal grants and/or fundraisers. Budgeted enrollment for years 1 and 2 was 280 and 380 students, respectively, yielding positive fund balances of \$54,334 and \$22,773. No private contributions or grants were budgeted. A breakeven budget was not presented, but contingency plans for unexpected budget shortfalls are discussed. A business manager would not be hired. The principal would be the school's financially responsible employee, including drawing all orders for payment of monies belonging to the charter school.

Analysis

The Financial Plan met criteria for approval because it contained realistic, evidence-based revenue and expenditure assumptions. The Financial Plan was well constructed and contained the major costs centers associated with sustaining a typical school and presented viable strategies for meeting potential budget and cash flow challenges. Errors did exist between the narrative and actual budgeted figures as well as within the cash flow statement.

The day-to-day financial management of the school would be the responsibility of the principal, apparently in coordination with a person on the office staff with business experience. It was noted that there were no specific requirements outlined in the job description for the principal related to financial management. The structure was heavily reliant upon Academica Nevada, the EMO, for financial management.

Significant expenses were not included in the budget (e.g., certain costs associated with Special Education, costs associated with enhanced professional development, costs associated with gifted and talented programming); however, the Review Team is confident that the Committee has the capacity to ensure the budget is corrected in a manner that does not compromise the integrity of the school's mission.

Performance Record

Rating

- *Meets the standard*

Plan Summary

The Committee to Form Doral Academy of Nevada proposed to enter into two contracts: Academica Nevada, LLC and Doral Academy, Inc. Doral Academy of Nevada proposes to engage Academica Nevada to provide administrative services and support to the school for an initial term of two years. Doral Academy of Nevada would pay Academica Nevada \$450 per FTE student. Doral Academy of Nevada proposed to enter into a trademark license and affiliation agreement with Doral Academy, Inc for a fee of 1% of the per pupil funding that the school receives. In addition to the use of the trademark, Doral Academy of Nevada would be entitled to receive affiliation services such as professional development, training and materials for use.

Analysis

The proposed contracts submitted with the application appeared free from any of the prohibited provisions specified by NRS 386.562.

Academica Nevada, LLC currently has active contracts with two existing Nevada charter schools: Pinecrest Academy and Somerset Academy. Somerset Academy became operational in fall 2011 and Pinecrest in fall 2012. In terms of operational performance the Authority's experience with the two schools has been positive. In terms of academic performance, Somerset Academy made Adequate Yearly Progress in its first year of operation. Although Academica Nevada is relatively new to the state, there is strong evidence of the EMO's management success.

Doral Academy, Inc. provides services to five charter schools in Florida. The most recent Doral Academy, Inc.- assisted charter school was opened in 2011 with the other four opening from 1999 to 2005. These schools have consistently received an "A" from the Florida Department of Education for academic performance in the last five years. Four of the five schools have also received school recognition awards for demonstrating sustained or significantly improved student performance. The majority of the student population in all five schools is Hispanic. Only one of the Doral schools in Florida is similar in make-up to the proposed Doral school in Nevada in serving a K-5 student population. This school was ranked 50 out of 1795 Florida elementary schools. The proposed location for the Doral Academy of Nevada is in the Mountain's Edge Community (89113, 89139, 89141, and 89148). The elementary schools located in the following zip codes tend to serve a high minority student population with a mid-average percentage of students who are socioeconomically disadvantaged.

The application and due diligence indicate compelling evidence of Academica Nevada's prior success in assisting with management and operation of charter schools as well as Doral's model in achieving high educational outcomes.

Evidence of Capacity

Rating

- *Meets the standard*

Plan Summary

The proposed board for Doral Academy Charter School is comprised of seven committee members. Joani Zibert Williams is a photography business owner in Las Vegas. She also worked as a graphic designer at Casino Data systems. She has a four-year degree in design with over nine years of design industry experience. Jerod Allen is the Director of Information Technology at Giroux Glass Inc. Erin Bodich is a teacher at Reedom Elementary school in Clark County. Boone Cragun is currently a lawyer with Riddle and Associates. Abram Swensen has a Master's of Accountancy and is currently working as a tax manager. Julianna Turley is an elementary school teacher in the Clark County School District and Andre Winslow is a Journeyman Electrician with Helix Electric.

Analysis

The Committee demonstrated the capacity to found and sustain a quality school and thus met criteria for Evidence of Capacity. The Committee was able to clarify the Review Team's questions emanating from the application review in a consistent and detailed manner. The Committee demonstrated their common and shared understanding of the vision for the school. When pressed on why the Committee did not include any goals related to the infusion of arts the Committee was able to provide a rationale for the decision in choosing to focus on academic outcomes.

The application and Capacity Interview demonstrated the Committee's due diligence that they conducted in the evaluation and selection of the two proposed EMOs with which they intend to contract. The Committee was able to speak, with appropriate detail, about the contracts and how the Committee would hold the respective companies accountable for a defined level of performance.

The Committee does not have experience working at, or for, charter schools. Nor did they report any experience serving on a non-profit or school board. Additionally, no Committee members report any experience or expertise in the arts. In the context of the application and the Capacity Interview the lack of specific experience and expertise on the Committee did not undermine the Review Team's confidence that the Committee could found and sustain a high quality school. The Review Team recommends the Committee consider expansion of the Doral Board to include specific expertise to address gaps in the present Committee. It is hoped that the Committee would prioritize the professional development for the Doral Board (as explained in the application) to initially focus on core practices of high performing governing bodies.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration regarding the Application Review Team's recommendation of Sterling Charter High School South's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 6

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Approve: Approve a Subsection 7 charter*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Sterling Charter High School South

Charter School Application Recommendation Report

Proposal Overview

School Name

Sterling Charter High School South

Mission (Application Item A.1.2)

The mission of Sterling Charter High School is to improve academic achievement by providing rigorous academic and social skills instruction that will lead to student success in school, within their lives, and within their community. Aligned with Sterling's mission, the school will target students who are disadvantaged and at-risk of academic failure due to academic, social, or economic factors. We will also work with youth referred to Sterling because of disciplinary issues, such as school expulsions, and will work with students who have dropped out of high school.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	9-12	9-12	200
Year 2 (2014)	9-12	9-12	350
At capacity	9-12	9-12	400

School Designations: At-risk

Recommendation

Overall Recommendation

- ***Approve: Approve a Subsection 7 charter***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Meets the standard

Section 2. Operations Plan

- Approaches the standard

Section 3. Financial Plan

- Approaches the standard

Section 4. Performance Record

- Approaches the standard

Section 5. Evidence of Capacity

- Meets the standard

Education Program Design

Rating

- *Meets the standard*

Plan Summary

Sterling High School South proposes to offer an educational program integrated with social and interpersonal skills for students in grades 9-12. The proposed student population will be students who are disadvantaged and at-risk of academic failure due to academic, social, or economic factors. The Common Core standards is the proposed curriculum using Person's Common Core textbooks. The overall educational program includes a number of career and technical courses. Instructional strategies will emphasize using response to intervention, reinforcing efforts to provide recognition, setting objectives and providing feedback, using culturally-relevant pedagogy, and sheltered instruction observation protocol for English Language Learners. Behavior mentors will be utilized alongside teaching staff to reinforce behavior management skills.

Analysis

The Education Program met the criteria for approval because the overall plan presented compelling research-based evidence for selecting the proposed curriculum and instructional strategies as well as demonstrating alignment between the school's curriculum, pedagogy, and professional development. The applicant's belief that all students have strengths, and that the proposed school would work with students to develop social, interpersonal as well as academic skills, is commendable. The school appeared to have solid plans for the use of professional learning communities and intends to tie professional development closely to academic initiatives at the school. The intended early adoption of Common Core is also a strength. The management plan documenting how the school will monitor success in meeting student achievement goals is concrete and a welcome addition to the application. The Committee provided compelling research for the location of the school in Las Vegas.

The school's assessment plan appeared appropriate and covers state standardized and nationally normed tests, as well as a number of other formative and summative assessments – some of which are appropriate to the school's goals of teaching social and interpersonal skills.

Overall, what was included in the Education Program was strong; however, in some areas additional information was necessary as the narrative provided did not go into sufficient detail. For example, the school would need to revisit how it would honor commitments to students under IDEA.

The Capacity Interview clarified a number of questions developed by the Review Team. In one example the Committee provided valuable context for the Review Team to link core instructional strategies to student need. Additionally, the Committee detailed a student recruitment strategy that, given the Committee's broad connections within the community, appears likely to succeed.

Operations Plan

Rating

- *Approaches the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Kirby Burgess, human resources, Jonay Argier, educator, Johanna Davis, educator, Harry Williams, parent, Leon Jackson, financial, and Esther Rodriguez-Brown, human resources and law. According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: Rite of Passage. The school would not provide distance education courses and/or programs.

“The administrators, teachers and staff will all be employees of the [EMO].” Instructional FTEs for 200 pupils in the first year would include one Instructional Leader, 5.5 teachers, two special education teachers, one guidance counselor, five behavioral mentors, one principal, one registrar, and one janitor. The application does not identify the school’s administrator.

Analysis

The Operations Plan only partially met criteria for approval because the fundamental operational plan was sound; however, the proposed relationship between the EMO – Rite of Passage and Sterling South appears to violate NAC 386.407 which specifies that the EMO may employ not more than 30% of licensed employees. The Capacity Interview added a level of understanding to the proposed relationship. That said, concerns with the contract and proposed relationship do exist, primarily the proposed relationship which contains provisions prohibited by NAC 386.405 and 386.407 and would require material revision. The Review Team suggests, and has confidence the Committee will follow through, that the necessary revisions are negotiated to bring the proposed relationship and contract into compliance with statute and regulation. Although the Capacity Interview demonstrated the Committee’s understanding of their oversight role, it is suggested that the revisions include the school’s performance expectations of the EMO that are consistent with the school’s accountability requirements and the means by which the governing board will hold the EMO accountable. The Key Performance Indicators provided in the application are a solid beginning.

The necessary changes to the management contract would have an effect on other areas of the school’s plan (e.g., Bylaws, budget and financial management) and necessary revisions would be required.

The Capacity Interview clarified the school’s commitment to open enrollment and also suggested the Committee may consider enrollment preferences for certain categories of at-risk students currently allowed for under Nevada law.

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

The pre-opening budget includes a \$240,000 loan at 3.75% interest from the EMO, all but \$337 of which will be spent prior to opening. Budgeted enrollment for years 1 and 2 is 200 and 350 students, respectively, yielding positive fund balances of \$19,070 and \$46,950. Included in those ending balances is revenue from federal grants totaling \$226,896 in year 1 and \$487,404 in year 2. Eligibility for much of this requires a full year of data, so none would be available in year 1. It is uncertain if and when it might be available in year 2. Outside revenue is not calculated into the DSA sheet or included in cash flow projections. An incorrect county designation and amount was used for the first year. Because of the many other errors and inconsistencies in the CFS, it is uncertain whether the additional revenue would result in a positive or negative cash balance. Cash flow statements make an unrealistic assumption that all revenue and expenditures will occur evenly throughout 12 months. Insurance stated in cash flow as 32,000. Insurance quote received is 59,262. The beginning cash balance in year 1 is, with no explanation, \$3,173 more than the closing balance of pre-opening. Year 2's beginning balance is, with no explanation, \$15,044 less than year 1's ending balance. Budget narrative does not always match the cash flow statement. For example, the narrative says \$9,000 in interest will be paid in each of year 1 and year 2. The CFS has \$4,200 in year 1 and \$9,000 in year 2. Budget shortfall contingency plans include securing loans from a bank or the EMO, applying for federal grants (which are already in the budget) and private grants, fundraising and renegotiating leases and contracts. The person responsible for all finances will be the CFO of the EMO.

Analysis

The Financial Plan only partially met criteria for approval because the budget and education model seem aligned and expense assumptions are realistic; however, the budget was built anticipating additional federal support and if the federal support was not secured it is unclear if the school would be able to deliver key aspects of the academic program. Additionally, the revisions required to the relationship/contract in order to bring it in line with Nevada statute and regulation may impact the budget in a manner not currently accounted for in the financial plan. Given the required changes, the Committee would need to demonstrate that the school could implement its educational vision as proposed in the application.

Performance Record

Rating

- *Approaches the standard*

Plan Summary

Sterling Charter High School intends to contract with Rite of Passage (ROP), a Nevada nonprofit corporation and Educational Management Organization. According to the contract included in the application, Sterling Charter High School South intends to engage ROP to provide educational, administrative and financial services and support to the school. Rite of Passage will charge the school 10% of the total revenue received by the school from state and federal sources, excluding National School Lunch Program dollars. Sterling Charter High School South would be responsible to reimburse ROP for all expenses paid by ROP including, but not limited to, personnel costs, curriculum, supplies, supervision and behavior management of students. The proposed contract is for the full term of the initial charter i.e., 6 years.

Analysis

The contract contained within the application appears to not contain any of the prohibited provisions as specified in NRS 386.562. However, the contract does violate Nevada Administrative Code which limits the initial term of the contract to two years and the number of employees provided by the EMO.

Rite of Passage is a national provider of programs for troubled and at-risk youth who are referred to Rite of Passage from social services, welfare agencies, and juvenile courts. This organization manages a wide-range of services which include community-based services, day schools, academic-model facilities, and gender specific treatment and secure facilities. Most of the youth referred to Rite of Passage are admitted to secure treatment or residential programs managed by Rite of Passage; however, Rite of Passage has created partnerships with various educational entities enabling youth at their treatment/residential facilities the opportunity to graduate from high school. Rite of Passage currently has four academies in four states that provide a number of services including academic support--Ridge View Academy in Colorado, Canyon State Academy in Arizona, Silver Oak Academy in Maryland, and Rite of Passage Charter High School in California.

Although most of the Rite of Passage "schools" are private residential facilities, the Rite of Passage Charter High School in California is considered a charter school which met its 2011 growth targets for all student level and subgroup level meaning their growth index exceeded the mandatory 5% improvement. Ridge View Academy in Colorado is considered an alternative school and was recognized as one of the highest achieving alternative schools by the Denver Public School District. Ridge View Academy also reported 77.3% of its 2011 exiting students as enrolled, enlisted, or employed within the first year of leaving the Ridge View Academy program.

Crescent Leadership Academy is a charter school contracting with Rite of Passage that received approval by the Louisiana Department of Education in fall 2011. There are no outcome results to report from this new school.

Based on information provided in the application and the Authority's due diligence the operational, educational, and financial success of Rite of Passage is compelling and noteworthy. Additionally, the Authority's due diligence indicates that Rite of Passage has scaled up (added schools) successfully without adversely impacting its existing client schools.

Evidence of Capacity

Rating

- *Meets the standard*

Plan Summary

The Sterling Charter High School South Committee to Form is comprised of six members. Johanna Davis is an administrative assistant at the Nevada Board of Health and a licensed Nevada teacher. Esther Rodriguez Brown is a court administrator for sexually exploited children in Clark County where she develops procedures and implements “best practices” programs and policies relating to juvenile court services consistent with directives established by the Juvenile Policy Board and the Nevada Supreme Court. Esther is also the founder of The Embracing Project for sexually exploited children. Esther has worked extensively in Youth Detention centers in Las Vegas. She also is the creator of the curriculum Gangs and Genocide “Healing the World Together.” Leon Jackson is a Doctoral Research Assistant for the Center for Academic Enrichment, Outreach, and Research at UNLV. Jonay Argier is a customer relations liaison for an out-of-state adolescent treatment center (Southern Peaks). Kirby Burgess was the former Director of the Clark County Department of Juvenile Justice Services where he oversaw 300 employees and worked extensively in the areas of Probation, Detention Services and Child Protective Services. He also was a Senior Vice President for the WestCare Foundation where he was responsible for the WestCare Foundation Endowment Fund. He is now the Executive Director of A Brighter Day Family Services where he oversees all operational activities. Harry Williams has a background in providing services for at-risk youth in Clark County through neighborhood planning and community outreach. Mr. Williams has a long history in the Clark County Community as an advocate for youth.

Analysis

The Evidence of Capacity met criteria for approval because the Committee to Form Sterling Charter High School South has the capacity to found and sustain a quality school in partnership with their selected EMO – Rite of Passage. The Committee demonstrated extensive knowledge of the proposed management contract with Rite of Passage.

Even though there are areas of the proposal that must be revised and approved prior to the school’s opening, the Committee to Form demonstrated a clear understanding of their duties and responsibilities in governing the school, and the track record of success of the EMO – Rite of Passage - is compelling. The Review Team has confidence that the proposed governing body has the capacity to remedy the identified deficiencies.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of American Preparatory Academy's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 7

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

American Preparatory Academy

Charter School Application Recommendation Report

Proposal Overview

School Name

American Preparatory Academy

Mission (Application Item A.1.2)

To provide an orderly, safe and nurturing learning environment wherein content-rich, efficient curriculum and research-based instructional methodologies are utilized to ensure that every student achieves academic success and develops good character based on concrete measures.

Junior High Mission: American Preparatory Academy Jr. High assists students in their efforts to become student scholars by providing an academically rigorous liberal arts program that prepares them for advanced study at the high school level.

Senior High Mission: American Preparatory Academy Sr. High provides rigorous coursework, excellent teaching, and consistent mentoring to ensure that each student graduates ready to successfully pursue their chosen course of study at the post-secondary level.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-9	k-9	924
Year 2 (2014)	k-10	k-10	1092
At capacity	k-12	k-12	1350

School Designations: At-risk

Recommendation

Overall Recommendation

- **Deny: The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.**

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Approaches the standard

Section 2. Operations Plan

- Approaches the standard

Section 3. Financial Plan

- Approaches the standard

Section 4. Performance Record

- Approaches the standard

Section 5. Evidence of Capacity

- Approaches the standard

Education Program Design

Rating

- *Approaches the standard*

Plan Summary

American Preparatory Academy proposed to provide at-risk students in grades K-12 with a classical liberal arts education focused on academic achievement and character development. The school would center on the trivium (grammar, logic and rhetoric) educational model with an emphasis on subject mastery. The proposed K-8 curriculum would use Core Knowledge using direct instructional strategies. The proposed 9-12 curriculum would offer the traditional courses also using direct instructional strategies. All students starting in grade seven would be required to take Latin. Students who complete Latin 2 at the mastery level may move on to Spanish.

Analysis

The Education Plan only partially met criteria for approval because the school proposed to serve grades K-12 but the high school education plan was not fully developed. The education program for the high school (grades 9-12) was addressed in a somewhat haphazard manner throughout the application. In some areas the high school program was clearly detailed while it was omitted in other areas. During the Capacity Interview the Committee confirmed the Review Team's observation and acknowledged the lack of a fully developed high school program.

In the goals section of the application the Committee included a goal in which 75% of students, attending for three consecutive years, would meet or exceeds proficiency on state assessments. The 2014-2015 Annual Measurable Objective (AMO) for elementary math is over 80. Any proposed goal that does not at least match the rigor of the statewide accountability system is unacceptable. It is suggested that the Committee revisit their goal setting.

The Committee was able to clarify during the Capacity Interview the nature of the targeted at-risk population they proposed to serve. Additionally, the Committee explained, in detail, how the proposed curriculum and school structure would support the targeted student population. The Committee is commended for submitting a well designed K-8 education program with structured, data-driven instructional processes and including a goal related to science – because the state did not set AMOs for science, science is often not incorporated into a school's goals.

Operations Plan

Rating

- *Approaches the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Rachele Hulet, parent; Jonathan Gardner, finance; Lee Iglody, law; Lindy Desjarlais, educator; and Tamara Stuart, educator.

According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: American Preparatory Schools. The school would not provide distance education courses and/or programs.

The school's "Leadership Team" would consist of five persons: School Director, School Business Manager, Academic Director, Elementary Director, and Secondary Director. All five would be employees of the EMO rather than the school's board.

The school would have 21 elementary-qualified teachers, and 21 teaching assistants called "instructors." Additionally the school would hire "12 teachers" for the junior high school for the first year: three math, three English, two Latin, two science, one art, one choir, one band/orchestra, two health/PE, two history. The school would open in year 1 serving grades K-9 and add a grade of high school each year thereafter. The application does not identify the school's administrator.

Analysis

The Operations Plan only partially met criteria for approval because only the K-8 program was sound. The staffing plan included appropriate teacher allocations and identified a ratio of one teaching assistant to one teacher. Teacher qualifications included specific reference to the core instructional model employed by the school and sufficient recruitment strategies. The Committee recognized that they do not currently reflect the diversity of the community the school proposes to serve and addressed plans (in the application and Capacity Interview) to revise Committee membership to reflect the community.

The Committee to Form intends to contract with an EMO, American Preparatory Schools (APS) for staffing, academic programs (methods of delivery) and services as well as business operations services. Although the application and Capacity Interview suggested the Committee conducted modest due diligence in their selection of American Preparatory Schools, the presence of a familial relationship between the Committee and American Preparatory Schools represents a conflict of interest (the Committee Liaison is the niece of the EMO's founder).

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

The Business Plan includes pre-opening expenses of \$230,000, all of which will be covered by a loan from their EMO, to be repaid in year 1 of the school. Budgeted enrollment for years 1 and 2 is 924 and 1,092 students, respectively, yielding positive fund balances of \$223,108 and \$450,180. No private contributions or grants are budgeted. Highly detailed budgets by general ledger account number support projected Cash Flow Statements. The CFS, while correct in the aggregate, have some expenses misclassified, resulting in unrealistic details. Year 2 CFS neglected to carry forward the ending cash balance from Year 1. Contingency plans for unexpected budget shortfalls are general in nature, relying on unspecified reductions in expenditures combined with staff reductions, primarily paraprofessionals. The Business Plan calls for the hiring of a business manager. The EMO fee is budgeted for 17%.

Analysis

The Financial Plan only partially met criteria for approval due in large part to the discrepancies within the application related to key aspects of the Committee's fiduciary responsibility. The relationship proposed in the contract between the EMO and the school was problematic. For example, section 22.2 of the draft contract charged EMO employees Carolyn Sharettte and Phil Collins with the fiduciary responsibilities for all school funds and authorized them as signatories on school checking accounts, however the application identified Jonathan Gardner as the person designated to draw orders for payment.

The Review Team encourages the Committee to thoughtfully revisit the proposed relationship with the EMO and re-negotiate a contract that clearly acknowledges the supremacy of the school board over the EMO.

Performance Record

Rating

- *Approaches the standard*

Plan Summary

The Committee to Form intends to contract with an EMO, American Preparatory Schools for academic programs (methods of delivery) and services as well as business operations services. American Preparatory Schools would provide comprehensive whole-school program for a term equal to the term of the charter (6 years). American Preparatory Schools would provide the Director level employees to American Preparatory Academy. The positions were identified as the School Director, Academic Director, Business Manager, Elementary Director, Secondary Director, Assessment Director, and Tech/Ops Director. American Preparatory Academy would be charged \$986 per student, based on enrollment count used by NVDOE.

Analysis

The Performance Record only partially met criteria for approval because the contract contains provisions prohibited by law and regulation. American Preparatory Schools does have an emerging track record of assisting with the operations of financially viable schools and achieving educational outcomes that, while not overly compelling, demonstrate academic growth in schools serving similar students.

The proposed administrative leadership of the school would all be employees of APS not the school's board. The presence of related parties, the proposed contract, and the entire leadership team directly answering to APS, rather than the school's board provides the impression that the EMO would have undue control of the school.

The American Preparatory provides services to three charter schools in Utah—American Preparatory-Draper, School for New Americans, and Accelerated School (just opened). American Preparatory-Draper opened in 2003 with an overall student population that is low minority and low socioeconomically disadvantaged. The School for New Americans was opened in 2009 with an overall student population that is high minority and high socioeconomically disadvantaged. Although both schools achieved Utah State level of Performance for 2010-2011, progress and proficiency scores were lower for the School for New Americans with the individual subgroups not performing as well academically as their counterparts at Draper. The Authority does not consider the American Preparatory Academy-Draper to be an accurate comparison to determine the potential performance of the American Preparatory Academy-Las Vegas.

Evidence of Capacity

Rating

- *Approaches the standard*

Plan Summary

American Preparatory Academy's CTF is comprised of five community members. Jonathan Gardner is an MBA property consultant. Lindy DesJarlais is a teacher in the Clark County School District. Lee Iglody is a corporate attorney at Iglody Law. Tamara Stuart is a high school teacher in the Clark County School District. Rachelle Hulet currently works as an Airbrush Tan Technician and serves on the AYSO soccer board.

Analysis

Based on the application and Capacity Interview the Evidence of Capacity only partially met the criteria for approval. The Committee is composed of individuals with strong professional experience and expertise in the fields of finance, education, and law. The Committee was able to speak in detail about all aspects of the application and demonstrated a shared vision for the school. The application and the Capacity Interview indicated that a modest level of due diligence was conducted in evaluating and selecting American Preparatory Schools as a contractor with which the school planned to engage. Various members of the Committee were able to speak in great detail about the terms of the contract with APS and their expectations of APS in carrying out the duties.

As noted elsewhere in the review, the proposed APS contract contained a number of provisions that do not comply with Nevada law and regulation. That the Committee did not appear to re-negotiate the contract in order to bring it in line with their needs as well as Nevada law and regulation is of concern. Of equal concern is the presence of a conflict of interest in a familial relationship between a potential board member (current Committee member) and the proposed contractor. To the Committee's credit, the conflict was recognized and the party would remove herself if necessary.

It is suggested that the Committee renegotiate the contract with APS, clarify the roles and responsibilities of both the EMO and board, expand membership of the Committee to be more reflective of the community it intends to serve, and further develop and refine the high school plan.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Leadership Academy of Nevada's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 8

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Leadership Academy of Nevada

Charter School Application Recommendation Report

Proposal Overview

School Name

Leadership Academy of Nevada

Mission (Application Item A.1.2)

Our mission is to provide highly-motivated and self-directed students in Nevada with a classical education so they can become principled leaders.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	9-12	9-12	300
Year 2 (2014)	6-12	6-12	500
At capacity	6-12	6-12	Unlimited

School Designations: Distance Education

Recommendation

Overall Recommendation

- ***Deny: The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Approaches the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Approaches the standard

Section 4. Performance Record

- Does not meet the standard

Section 5. Evidence of Capacity

- Approaches the standard

Education Program Design

Rating

- *Approaches the standard*

Plan Summary

Leadership Academy of Nevada proposed to provide a classical Liberal Arts education through distance education to students in grades 6-12. The curriculum would be provided by Williamsburg Academy, which uses Socratic questions and online discussions centered on the classics. The purpose of the educational program is to help students become educated scholars and principled leaders. The educational model would be blended learning in that students would engage in asynchronous learning through the learning management system and synchronous learning through the use of Blackboard Collaborate. Mentors would be trained to use various instructional strategies which encourage discussion and debate. Learning would be proficiency based using a shortened school calendar of 153 school days.

Analysis

The Education Program only partially met criteria for approval due to a number of concerns, some of which are discussed below.

The Committee, in the application and Capacity Interview, was not able to demonstrate a complete understanding of the school's legal obligations in meeting the needs of special student populations (e.g., English Language Learners, Special Education). The Committee indicated that they plan to hire a special education teacher who is more familiar with Nevada law and regulation. The application appeared to commit the school to offering a full continuum of services to special needs students yet the complete plan (operation and financial) do not support this assertion. Additionally, the applicants' description of the ELL program did not provide sufficient detail to demonstrate a depth of understanding of the required program for qualified students (e.g., use of Rosetta Stone). The budget does not appear to align in supporting specific positions and required programs described in the Education Program to serve special populations.

The professional development framework included strategies related to communication (the Huddle), progress/communication (the Syncro) and attending conferences. There was a clear commitment to continuous improvement. However, the framework did not present a comprehensive and coordinated plan. For example, there appeared to be no systematic training on the Classical curriculum and no specific training for teachers to be proficient using the backbone technology of the school (i.e., LMS, Blackboard). It was not evident that the Committee used the emerging research in effective instruction and professional development for online/blended programs to inform key aspects of the plan.

The Committee provided a strong foundation and argument that underpinned their Socratic method approach and there was alignment among the mission, educational philosophy and curriculum.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Valerie Blake, parent; Angela Kleven, human resources; Kelly Parker, accountant; Ruth Parker, teacher; and Sione Pulotu, teacher. According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: Williamsburg Educational Services. The proposed school would provide distance education courses and/or programs.

Management would be provided by a Director, assistant Director, and an Administrative Assistant. "Responsibility for the curriculum and teaching will be delegated to WES [the EMO]." "Independent contractors" including licensed teachers, non-certified teachers, legal counsel, a special education consultant, an information technology consultant, and an accountant/auditor may also staff the school, "depending on enrollment." The school would employ one teacher per fifty students.

The application does not identify the school's administrator.

Analysis

The Operations Plan did not meet criteria for approval for a number of reasons; most notably, the staffing plan did not support the educational program and the use of "contractors" was unclear.

The proposed staffing plan of the school was unclear and did not align with other parts of the application. The Committee clarified in the Capacity Interview that they intend to hire the majority of teachers as part-time contractors and their EMO would provide instruction for low-incident courses such as guitar theory. Other areas of the application stated that the responsibility for curriculum and instruction would be delegated to the EMO. Additionally, the rationale for structuring the teaching core as part-time contractors was not fully explained. Simply calling a worker a "contractor" doesn't make the worker a contractor; depending upon work conditions and circumstances, the part time teachers may indeed qualify as employees rather than contractors.

The proposed staffing plan for 300 students enrolled in grades 9-12 was 6 part-time contractors (teachers) at \$11,000 per teacher per year. The staffing plan appeared insufficient.

The Committee is commended for acknowledging the need for governing board training and development that is reflected in the budget.

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

The pre-opening budget of \$46,388 is expected to be funded by requesting employees to go without pay for 3 months, deferring payment of payroll taxes for 3 months and/or drawing on a line of credit from their EMO, which they state is not to exceed 15% of their operating budget. No written agreement documenting such an agreement is provided. Budgeted enrollment for years 1 and 2 is 300 and 500 students, respectively, yielding positive fund balances of \$48,273 and \$1,092. No private contributions or grants are budgeted. The applicant's budget shortfall contingency plan includes reasonable sounding cuts to teaching and administrative positions, salaries and other administrative costs, as well as drawing on the previously mentioned line of credit from their EMO. No mention is made of hiring a business manager. A CPA who works for a local firm has been designated as the school's financially responsible employee, including drawing all orders for payment of monies belonging to the charter school.

Analysis

The Financial Plan only partially met criteria for approval because the budget and the education model appeared to align and the expense assumptions are realistic given the parameters of the school; however, certain expenses reflected in the budget may derive from inaccurate assumptions, and certain expenses may not be reflected.

As noted in prior sections the budget does not accurately reflect certain aspects of meeting the needs of special student populations. Additionally, the budget does not reflect the often high costs for distance education schools in the delivery of statewide mandated assessments. The budget would need to reflect any changes to the staffing plan of the school.

Performance Record

Rating

- *Does not meet the standard*

Plan Summary

The Committee intends to contract with Williamsburg Educational Services, LLC (WES) an Educational Management Organization. Williamsburg Educational Services is a sister company to Williamsburg Academy, LLC, a private online high school accredited by NWAC/AdvancED. WES has access to all of Williamsburg Academy's methods and educational resources, and is free to use them to provide services for Leadership Academy of Nevada (LAN) according to the terms of the contract. WES was formed in 2012 for the purpose of assisting Leadership Academy of Nevada. WES has not, to our knowledge, provided services to other charter schools in a manner similar to that proposed in the contract.

The contract between LAN and WES is for a term of two years. It identified the following services provided by WES to LAN: application preparation; curriculum and instruction for up to 30% of total LAN teachers; financial support (loan) and assistance with financial decisions; human resources; marketing; strategic plan for replication and scaling of academies; technology and technology consulting; materials; general administrative; and training/professional development. LAN agrees that WES will be its sole source curriculum provider and that LAN may contract with other service providers only for services not provided by WES. LAN will pay \$2,900 per student per academic year for curriculum, instruction, professional development, technology, and all other academic services; an additional \$300 per student charge is incurred for marketing services. Additional fees for service may be developed only upon agreement by both parties.

Analysis

The Committee identified a list of other entities, by way of reference, with which Williamsburg Academy has a relationship. No prior track record of Williamsburg Educational Services exists.

The contract was developed and informed by existing statute and regulation and does not appear to contain any prohibited provision outlined in statute and regulation.

Evidence of Capacity

Rating

- *Approaches the standard*

Plan Summary

Leadership Academy's CTF is comprised of five members. Valerie Blake is the manager of Blake Properties LLC, a real estate company in Las Vegas. Angela Kleven is the founder and Operations Director of RISE Resource Center, a homeschooling network in Las Vegas. Kelly Parker is a Principal at Piercy, Bowler, Taylor, and Kern CPA. Ruth Parker is a retired Clark County school teacher, and Sione Tuione Pulotu is a math teacher with Clark County School District.

Analysis

The Evidence of Capacity only partially met standard because the plan as proposed does not fully convey that the Committee appreciate the complex legal requirements to which a public school must adhere. This finding is particularly noteworthy in the delivery of services to special needs students, knowledge of credentialing requirements, and the associated financial obligations. Additionally, the Committee and EMO with which it intends to contract collectively have no prior experience in leading and operating a public charter school.

Three members of the Committee report prior board experience. Ms. Blake serves on the Pillar of Light Commonwealth – a community of families created to serve the needs of homeschool families in Las Vegas. Ms. Kleven serves on the board of RISE Education Resource Center – an organization dedicated to providing a facility and resources to support educational choice; and has served on the board for the Pillar of Light Commonwealth School. Mr. Parker reports experience on the board of the Las Vegas Gem Club and the BYU Management Society.

The two Parkers on the Committee are spouses; related parties on the board/Committee are discouraged by SPCSA guidance. The Committee acknowledged their understanding of the SPCSA guidance and indicated that one party would be willing to step off the Committee.

Expansion of the Committee to include a member with prior experience in the operation of a public school, preferably a distance education charter school, would significantly strengthen this section.

Each member of the Committee brings a wealth of professional experience to the Committee and is commended for their vision to propose a charter school.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Silver State Virtual Academy's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 9

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Silver State Virtual Academy

Charter School Application Recommendation Report

Proposal Overview

School Name

Silver State Virtual Academy

Mission (Application Item A.1.2)

Silver State Virtual Academy's mission is to improve the graduation and college enrollment rates of its pupils by use of effective methods of teaching and administration; and by providing an accurate accounting of its pupils' academic progress on a continual basis to ensure that improvement.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-12	k-12	450
Year 2 (2014)	k-12	k-12	600
At capacity	k-12	k-12	1500

School Designations: Distance Education

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Does not meet the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Does not meet the standard

Section 4. Performance Record

- Does not meet the standard

Section 5. Evidence of Capacity

- Does not meet the standard

Education Program Design

Rating

- *Does not meet the standard*

Plan Summary

Silver State Virtual Academy proposes to accelerate learning and help improve high school graduation and college enrollment rates for students in grades K-12. The school proposes to offer a distance education program using Odysseyware distance education curriculum.

Analysis

The Education Program did not meet the criteria for approval because the Silver State Virtual Academy presented a plan that was incomplete – not all Required Elements were addressed or if addressed were not fully defined, and lacked alignment among the Education, Operations, and Financial Plans.

Numerous Required Elements were not included in the application or were poorly developed without enough detail to appreciate how the program would be delivered. One example of missing information, Required Elements 3 and 4 in the School Goals and Objectives were not answered. Additionally, Silver State’s mission is to “improve the graduation and college enrollment rates,” yet no goal specifically addressed graduation or college enrollment rates.

The Committee proposed to serve grades K-12 exclusively using Odysseyware as the provider of distance education curriculum. Sections of the application were copied directly from the Odysseyware website. Further, Odysseyware does not provide curriculum in all grades proposed to be served at Silver State and many courses are not currently approved by the Nevada Department of Education. The Capacity Interview suggested that the Committee was unaware of the gaps in curriculum, although the suggestion that other distance education providers would be used, no clear plan consistent with the proposed school’s program was provided.

In general, the application read as if the Committee was attempting to design an educational program around Odysseyware rather than design an educational program that was best suited for the target population where Odysseyware may be used to achieve the mission of the school.

The Committee is commended for their dedication to garner parent input through a Parent Advisory Council and by traveling around Nevada to receive such input.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Margot Allaire, educator; Jeffrey Baker, human resources; Wesley Laughlin, educator; Prasad Nair, general public; Joe Price, general public; and Lisa Schiano, educator

According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would not contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school. The school would provide distance education courses and/or programs. The school would have a Head of School/Special Education Facilitator, Administrator, Office Manager, Technical Director, nine teachers and two office staff. The application identifies the Head of School/Special Education Facilitator: Margot Allaire.

Analysis

The Operations Plan did not meet the criteria for approval for several reasons. The Committee did not present a compelling or realistic staffing design for the school that appeared viable and adequate for effective implementation of the proposed educational program. The application contained elements that appeared to not specifically address the distance education environment. The number and depth of the discrepancies undermined the Review Team's confidence that the Committee has the capacity to found and sustain a quality school.

The Committee plans to recruit retired, experienced educators and administrators with online experience; however, the plan to do so lacked sufficient detail to understand what would qualify as acceptable online experience. The Committee planned to use PERS as an avenue to recruit former retired teachers. A significant weakness in this strategy is the income limits for retired teachers, assuming there are a wealth of retired teachers with online experience relevant to Silver State's mission and Odysseyware curriculum. In the Capacity Interview the Committee suggested that retired teachers may start a company with which the school may contract for the teacher's services. Qualifications of teachers listed do not include experience with Odysseyware or online instructional delivery – a core component of the school's curriculum.

The staffing plan was not consistent throughout the application. There was reference to two administrative positions and in other areas of the application; both positions were consolidated into one position. Other areas of the Operations Plan were underdeveloped or contain inappropriate references.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

The pre-opening budget includes \$115,000 to purchase and “wrap” a motor home with advertising. It would be driven around the state to attract students. It also calls for \$45,000 in teacher salaries and training expenses and \$23,000 to open an office. This would all be funded by a \$200,000 grant applied for in June, 2012. Budgeted enrollment for years 1 and 2 is 450 and 600 students, respectively, yielding indeterminable results from incomplete budget forms and cash flow statements. A business manager would not be hired. The person responsible for all finances would be the Head of School.

Analysis

The Financial Plan did not meet criteria for approval because it did not present a viable plan to maintain the financial viability of the school. The start-up plan was wholly reliant upon receipt of a Charter Schools Program Grant and/or fund raising. The Head of School/Special Education Facilitator was charged with the responsibility to handle all financial matters of the school and the budget contains numerous inconsistencies that were not explained.

The Committee did not address a viable strategy should they not receive a Charter Schools Program Grant. The Committee did address fundraising; however, the individual charged with raising funds for the school was not identified in the application. In the Capacity Interview it was made clear that an affiliate of the Committee would be charged with this responsibility yet his record as a fundraiser is not clear.

Given the gravity of managing public school funds, the Review Team had serious concerns that this duty would fall as an additional duty to the Head of School/Special Education Facilitator, Margot Allaire; Ms. Allaire’s qualifications to fulfill the duties associated with being the school’s financial steward are unclear.

The budget did not align with the program presented in the application and generally did not provide the Review Team with confidence that the Committee is capable of performing its fiduciary role.

Performance Record

Rating

- *Does not meet the standard*

Plan Summary

The Committee plans to use Odysseyware as its “main curriculum”.

Analysis

No empirical and compelling evidence of success of schools similar to SSVA was provided. Given Silver State’s reliance on Odysseyware, it would have been appropriate to include a strong research base or evaluation of Odysseyware’s effectiveness in serving students in a manner consistent with that identified in Silver State’s mission.

Evidence of Capacity

Rating

- *Does not meet the standard*

Plan Summary

Silver State Virtual Academy's CTF is comprised of six members. Margot Allaire was a special education facilitator at Renaissance Academy Charter School. Jeffrey Phillip Baker is a Board Certified Rehabilitation Counselor in Las Vegas. Joe Price works as an Engineer Team Lead at the Used Nuclear Fuel Disposition R&D Program. Wesley Laughlin is a part time instructional designer and teaching assistant in the Clark County School District. Prasad Nair is a Certified Project Management Professional Engineer at the Department of Energy, and Lisa Schiano is on the Board of Directors at the Crescent Academy (autism) and a substitute teacher in Clark County.

Analysis

The application does not meet Evidence of Capacity criteria for approval because the Committee did not contain the required membership, and because of the number and depth of the inconsistencies within the application and the lack of compelling evidence of success of similar schools using Odysseyware.

The Committee brings years of experience to this effort and is commended for bringing forth an idea to serve Nevada students. However, the Review Team believed more time is needed to recruit members with additional expertise, especially in finance, to more fully explore the idea(s) presented in the application to form Silver State Virtual Academy.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Ben Gamla of Nevada's charter school application

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

MEETING DATE: October 18, 2012
AGENDA ITEM: 10
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Ben Gamla of Nevada

Charter School Application Recommendation Report

Proposal Overview

School Name

Ben Gamla of Nevada

Mission (Application Item A.1.2)

The mission of Ben Gamla of Nevada is to provide a safe environment for innovative instructional practices that continuously light the path toward maximum student achievement and personal growth. As the first English-Hebrew charter school in the United States, Ben Gamla integrates Hebrew instruction giving our students a useful tool in our global society.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-5	k-5	300
Year 2 (2014)	k-6	k-6	400
At capacity	k-6	k-6	500

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- **Does not meet the Standard**

Section 2. Operations Plan

- **Approaches the standard**

Section 3. Financial Plan

- **Approaches the standard**

Section 4. Performance Record

- **Approaches the standard**

Section 5. Evidence of Capacity

- **Does not meet the standard**

Education Program Design

Rating

- *Does not meet the standard*

Plan Summary

Ben Gamla proposes to provide literacy and academic content in English and Hebrew to promote bilingualism, bi-literacy, and multicultural competence to students in grades K-8. The school plans to utilize a two-way educational model with Nevada and Common Core standards as the proposed curricula. Instructional strategies will include the use of teacher modeling, scaffolding, group practice, peer teaching, integration, and practice and review. The school is committed to providing an academically rigorous environment that promotes critical thinking and problem solving. The educational program of this school is a replication of Ben Gamla charter schools located in Florida.

Analysis

The Education Program did not meet criteria for approval because the application did not clearly demonstrate alignment between the school's curriculum, pedagogy and professional development plan.

The Committee identified an educational philosophy that focused on developing bi-literate and bilingual students. Indeed, the research cited in support of the philosophy concludes that a two way dual language model would be the most appropriate program for Ben Gamla to implement. Such a two way dual language model would result in two groups of students (each with different home languages) learning together in a systematic way so both groups become bi-literate and bilingual in the two languages. However, the application did not provide a sound plan for delivering a two way dual language model.

The proposed goals, curriculum and instructional strategies, professional development and daily schedule appear to be loosely if at all aligned to the school's mission and educational philosophy. Particularly noteworthy is the lack of detail on how the two way dual language model will be implemented (e.g., 90/10 or 50/50).

Educational goals related to bi-literate/bilingual students were absent as are any operational goals related to the instructional delivery. The curriculum seemed to be the Nevada standards and Common Core without any specific or specialized curriculum for the successful implementation of the two way model. Further, the professional development program described was silent on the specialized training necessary to build a cadre of effective instructors in a bilingual/bi-literate school. The submitted schedule of courses includes one hour or so per day of Hebrew instruction – beginning in 4th grade. The Review Team questioned whether this was a dual language school or simply a school that teaches Hebrew as a foreign language.

The Review Team commends the Committee's plan to provide the governing body with professional development and the pairing of new teachers with seasoned educators to provide mentorships opportunities. The Review Team notes that Committee members agree that Ben Gamla of Nevada is a bilingual/bi-literate school.

Operations Plan

Rating

- *Approaches the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Susan Weingarten, law; Marion Margalit, parent; Gary Mayers, educator; Daniel Miller, law and accounting; and Amy Mufson, educator

According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would contract with two Educational Management Organizations (EMO) to assist with the provision of educational services at the school: Academica Nevada and National Ben Gamla Charter School. The school would not provide distance education courses and/or programs.

The school would employ a principal, office manager, fourteen teachers, and three teacher aides. A student:teacher ratio of 25:1 is anticipated. Three "specialists" and one special education teacher would also staff the school.

The application does not identify the school's administrator.

Analysis

The Operations Plan only partially met criteria for approval because it did not align with other sections of the application. The proposed staffing plan did not address the positions and job descriptions one would expect to see specific to a two way dual language model. There were no specific criteria identified for the school's principal qualifications that would differentiate potential candidates for principalship at Ben Gamla from other schools. The general description of teacher recruitment strategies lacked sufficient detail to align with the proposed model. During the Capacity Interview the Committee recognized the difficult task ahead in recruiting highly qualified instructors but differed in how the school may respond to the challenge.

The Committee planned to use Parent Involvement Agreements; such agreements shall not be reason to deny the initial enrollment or continued enrollment of pupils. The proposed enrollment lottery was unclear as described and the Review Team recommended that the Committee clarify which students would be subject to the first year lottery or consider adopting the Authority's model lottery description.

The Committee is commended for including language to clarify how and by whom the board will identify its future members.

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

Pre-opening budgeted revenue of \$25,000 is uncertain because it would come from yet-to-be-obtained donations, federal grants and/or fundraisers. Budgeted enrollment for years 1 and 2 is 280 and 380 students, respectively, yielding positive fund balances of \$54,334 and \$22,773. No private contributions or grants are budgeted. A breakeven budget is not presented, but contingency plans for unexpected budget shortfalls are discussed. A business manager will not be hired. The principal would be the school's financially responsible employee, including drawing all orders for payment of monies belonging to the charter school.

Analysis

The Financial Plan only partially met criteria for approval because it did not discuss or explain the unique costs associated with or required to support key parts of the school's plan, including the mission and educational program.

However, the budget did contain realistic, evidence-based revenue and expenditure assumptions. The Financial Plan was well constructed and contains the major cost centers associated with sustaining a typical school. Errors did exist between the narrative and actual budgeted figures as well as within the cash flow statement. This was a relative strength of the application.

The day-to-day financial management of the school would be the responsibility of the principal apparently in coordination with a person on the office staff with business experience. It was noted that there were no specific requirements outlined in the job description for the principal related to financial management. The structure was heavily reliant upon Academics Nevada, the EMO, for financial management.

Performance Record

Rating

- *Approaches the standard*

Plan Summary

The Committee to Form Ben Gamla of Nevada proposes to enter into two contracts: Academica Nevada, LLC and National Ben Gamla Charter School Foundation, Inc. Ben Gamla of Nevada proposes to engage Academica Nevada to provide administrative services and support to the school for an initial term of two years. Ben Gamla of Nevada will pay Academica Nevada \$450 per FTE student. Ben Gamla of Nevada proposes to enter into a trademark license and affiliation agreement with National Ben Gamla Charter School Foundation for a fee of 1% of the per pupil funding that the school receives. In addition to the use of the trademark, Ben Gamla of Nevada is entitled to receive affiliation services such as training and materials for use.

Analysis

The proposed contracts submitted with the application appeared free from any of the prohibited provisions specified by NRS 386.562.

Academica Nevada, LLC currently has active contracts with two existing Nevada charter schools: Pinecrest Academy and Somerset Academy. Somerset Academy became operational in fall 2011 and Pinecrest in fall 2012. In terms of operational performance the Authority's experience with the two schools has been positive. In terms of academic performance, Somerset Academy made Adequate Yearly Progress in its first year of operation. Although Academica Nevada is relatively new to the state, there is strong evidence of the EMO's management success.

According to the application, the National Ben Gamla Charter School Foundation, Inc currently works with ten charter schools in Florida. Seven are similar in make-up as Ben Gamla of Nevada in serving K-8 student populations. Of the seven, four received letter grades on Florida's school grade system - one 'A', one 'B', one 'C' and one 'no grade due to size'.

Authority staff conducted due diligence on Ben Gamla school performance in Florida. According to the application the proposed location for Ben Gamla of Nevada is in the Summerlin area (89128, 89134, 89138, 89144, and 89145). The schools in the identified zip codes serve a low percentage of socio-economically disadvantaged students. According to the 2011 (most recent) Florida school rankings of combined Elementary/Middle Schools, Ben Gamla schools (n=3) were ranked: Ben Gamla Broward – 39/193; Ben Gamla South Broward – 161/193; and Ben Gamla North Campus – 178/193. It appears that the most similar school to which to compare Ben Gamla of Nevada would be Ben Gamla South Broward.

Overall, the academic performance of the Ben Gamla model is not overly compelling.

Evidence of Capacity

Rating

- *Does not meet the standard*

Plan Summary

Ben Gamla's CTF is comprised of five members. Marion Margalit is currently the president of Marble and Floors and has experience as an Israeli Military Fighter Pilot. Gary Mayers is currently a high school teacher with the Clark County School District. Daniel Miller is a financial planner with the Dun and Bradstreet Corporation. Amy Mufson is a teacher in the Clark County School District and Susan Weingarten is a special education teacher in the Clark County School District.

Analysis

The Committee appeared to have conducted modest due diligence prior to selecting Academica Nevada, LLC and National Ben Gamla Charter School Foundation. During the Capacity Interview the members of the Committee to Form (Mayers, Miller, and Mufson) were able to speak to certain aspect of their due diligence and the provisions of the contracts.

The two teachers on the Committee do not have experience teaching core subjects at the elementary or middle school level – one is a career high school teacher and the other is an elementary school librarian. The Committee shared a common understanding of the school's focus (i.e., Hebrew bilingualism) yet no one on the Committee has experience in the successful delivery of a two way model or a dual language model. No Committee members (proposed first board) have experience working at, or for, charter schools. Nor do they report any experience serving on a non-profit or school board. In consideration of the deficiencies within the application the Committee may consider broadening their composition to bridge gaps and assist with the future development of the school.

The Committee is not composed of members representing the diversity of the community the school proposes to serve and is not free from apparent domination by members of the same religious, ethnic, or racial group as recommended by the Authority. Mayers, Mufson and Weingarten are members of the same synagogue, per Weingarten's response to the questionnaire found in the application.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Imagine Centennial's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 11

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Imagine Centennial

Charter School Application Recommendation Report

Proposal Overview

School Name

Imagine Centennial

Mission (Application Item A.1.2)

The mission of Imagine Centennial is to provide a 21st Century learning environment rich in rigorous academic offerings, designed to challenge, educate, and nurture the whole child in a safe supportive atmosphere, with strong parent and community involvement, as we believe all children are capable of success, no exceptions.

Proposed Location (from Charter Application Cover Sheet)

6610 Grand Montecito Parkway, Las Vegas, NV 89149

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-5	k-5	375
Year 2 (2014)	k-6	k-6	450
At capacity	k-8	k-8	525

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- **Approaches the standard**

Section 2. Operations Plan

- **Does not meet the standard**

Section 3. Financial Plan

- **Does not meet the standard**

Section 4. Performance Record

- **Does not meet the standard**

Section 5. Evidence of Capacity

- **Does not meet the standard**

Education Program Design

Rating

- *Approaches the standard*

Plan Summary

Imagine Centennial proposed to provide an educational program designed to challenge, educate, and nurture the whole child to students in grades K-8. The proposed curriculum would be the Imagine Schools standards based curriculum, which is an academic core curriculum aligned to the Common Core standards and interwoven with character development. Instructional strategies would include project-based learning, cooperative team learning, Socratic questioning, active learning, and teaming. Emphasis would be placed on mastery of the standards and professional learning communities would be used to find the best instructional practices to help students achieve this goal.

Analysis

The Education Program only partially met standard due to a number of reasons. The most prominent of which are discussed below.

Applicants were required to include course descriptions that include the content, skills, and measurable objectives for each of the content areas at each grade level. The Committee submitted sufficiently detailed course descriptions at many grade levels. However, course descriptions were missing for Grades 1 and 2 all subjects except Earth Science; and Grades 4 and 5 all subjects.

The goals provided in the application were of questionable rigor. For example, one goal identified that 75% of students enrolled for three consecutive years would achieve proficiency or advanced status on the state assessments. This goal would allow Centennial to meet their performance goal yet underperform the statewide Annual Measurable Objectives to which all public schools are accountable.

The plan for professional development did not appear comprehensive or coordinated. The school proposed two weeks of professional development at the beginning of school in addition to four days during the year. One of the two weeks at the beginning of school (fall institute) was focused on "introducing" teachers to the Imagine philosophy and curriculum. Additionally, it was unclear how the school and who at the school would determine the professional development need and coordinate with the Regional Student Achievement Coach and onsite Data Coach.

The Committee is commended for weaving the mission and vision for the school into much of the Education Program. The use of multiple assessments is laudable. The application provided a relatively clear picture of how the school may operate.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Hadassa Lefkowitz, educator; Anna Webb, educator; Dennis Shin, business-financial; Susan Aventi, accountant; and Julie Williams, parent. According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: Imagine Schools. The school would not provide distance education courses and/or programs. The Principal would be mentored and supported by Imagine Schools, the EMO. The student:teacher ratio would be 26:1.

The application does not identify the school's administrator.

Analysis

The Operations Plan only partially met criteria due to a number of reasons. The most prominent of which are discussed below.

The proposed location of the school, by address, was included in the contract. It was unclear to the Review Team the implications of describing the location of the school within the agreement. This may reflect an attempt to link the operating agreement to the school's facility/lease. Such a link would be considered a contingency and as such would be prohibited by statute.

The lottery description was insufficient and incorrect. The school was not proposed as "at-risk", therefore siblings of enrolled pupils may not be exempted from the lottery. The SPCSA recommended that schools adopt the model lottery system developed by the SPCSA.

The application did not make clear the delineation of the roles and responsibilities between the school's governing body, management and EMO. The application and EMO contract stated that up to 30% of teachers, and all personnel not required to be licensed, would be provided by the EMO. It was not clear what role the board would play in identifying the need and approval of the "other personnel" hired by the EMO and paid for by the school. The Imagine Centennial Board would be responsible for employing a licensed teacher for each grade level for which the charter school offers instruction.

The application lacked a strong statement clarifying that neither the EMO, the EMO's representatives or contractors, nor the school administrator would be the source of suggestions/nominations for new board members. The application did refer to board members speaking with possible candidates about the possibility of joining the board. Board members would be required to sign a contract, formally

assuming responsibility as the Governing Board, yet no sample of the contract was contained in the application.

The application and bylaws only generally discussed professional development opportunities available to the board in order to build capacity. To ensure sufficient distance and objectivity from the EMO, the board members should receive more training than what was referred to in the application.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

Pre-opening expenses are budgeted at \$50,000, all to be advanced from the EMO. Any costs above that were expected to be covered by the EMO at no charge. This was an important assumption, since their cash flow statement projects \$133,266 in expenditures in July, a month before it projects receiving a DSA disbursement from the State. Budgeted enrollment for years 1 and 2 was 375 and 450 students, respectively, yielding positive fund balances of \$19,194 and \$107,881. No private contributions or grants were budgeted. Their budget shortfall contingency plan relied wholly on advances from the EMO. The language describing this arrangement appears to be form language that leaves the school at risk of the EMO choosing to reject a request for advance. The budget has not been well reviewed, in one case saying “due and owing Operating Expenses”, when they intended to say “due and owing Operating Expenses.” A business manager would be hired. The “capital lease” costs appeared to be understated in year 2 and no costs in year 1.

Analysis

The Financial Plan only partially met criteria for approval due to a number of reasons. The most prominent of which are discussed below.

The review team noted that budgeted building lease costs were significantly higher than other charter schools in the same geographic area. According to the Budget Narrative submitted in the application, “Facility costs are based upon historical costs of other Imagine Schools in Nevada.” When asked about the lease agreement in the Capacity Interview, a member of the Committee was able to cite a per-square foot cost but the Committee didn’t appear to conduct a more thoughtful analysis regarding suitability of the proposed facility – a noteworthy finding given the national and local attention paid to the Imagine Schools Inc. questionable leasing arrangements.

The Imagine Schools Inc. lease for furniture and equipment (@\$750/student in year 2, term of 4 years) was proposed as a “4 year depreciable capital lease, no buyout.” The budget did not appear to accurately reflect the cost of the lease. More detail is needed to understand if the proposed lease is operating (the school does not own the asset at lease end) or capital (the school would own the asset at lease end).

The contingency plan appeared solely reliant upon Imagine Schools Inc. to ensure sustainability of the school. Such reliance on the EMO does not demonstrate the Committee has thoughtfully approached their commitment to maintaining the financial viability of the school.

Performance Record

Rating

- *Does not meet the standard*

Plan Summary

The Committee intends to contract with Imagine Schools, Inc (Imagine) an Educational Management Organization. The following description is from the Imagine website (<http://www.imagineschools.com>):

Founded in 2004 by Dennis and Eileen Bakke, Imagine Schools is a full-service operator of public charter schools. Like all charter schools, Imagine charter schools are publicly funded while privately operated. Imagine Schools operates 70 schools in 12 states and the District of Columbia. As a full-service charter school operator, Imagine is basically a multi-state "school district" educating approximately 38,000 students.

Imagine Centennial intends to contract with Imagine for charter school management services which include the provision of educational services to students and the operation and maintenance of the charter school. The agreement as proposed is for a term of two years.

Imagine would receive an "administrative allocation" equal to 12% of the school's total revenue (appeared to be conflicting information regarding which funds are included in determining a total). The allocation would pay for administration (4%) and for educational program (8%). The administrative allocation appeared to be fixed at 12% and perhaps not sensitive to school need or efficiency. Imagine Centennial would also pay Imagine for other costs, including purchases Imagine makes on behalf of the Centennial board, Imagine direct expenses, Imagine personnel costs, and operating advances.

Analysis

Imagine Schools, Inc did not meet criteria for recommendation of approval because the EMO did not provide relevant evidence of educational and management success. The track record of operational and academic success of Imagine Schools Inc. nationally and here in Nevada is in question.

Imagine Schools Inc. reports having seventy-one charter schools in thirteen states. Although some Imagine Schools Inc. charter schools are performing well academically, there are just as many Imagine Schools Inc. charter schools performing below average academically. For example, Missouri Department of Education closed all six of their Imagine Schools Inc. schools due to academic and fiscal issues. The explanation provided in the application appeared to be that Imagine Schools Inc. attempted to resolve the "problem" in February 2011, four years after many of the campuses opened.

There are two charter schools currently in Nevada that contract with Imagine Schools Inc. —100 Academy and Imagine Mt. View.

The 100 Academy opened in 2006. Student population is predominately African American with a high percentage of economically disadvantaged students. Neither the elementary school nor middle school made AYP for 2011-2012 with an elementary school designation of In Need of Improvement Year 3-Hold and a middle school designation of In Need of Improvement Year 2-Hold. In terms of growth data, the elementary and middle school ranked respectively in the 32nd percentile and 52nd percentile in Reading and in the 45th and 42nd percentile in Math. The school also has a long history of core subjects being taught by an exceptionally low percentage of highly qualified teachers; in some cases, 100% of teachers in core subjects were not highly qualified.

Imagine Mt. View opened in 2011 with a fairly evenly mixed student population of African American, White, and Hispanic. Because the school opened as a K-2 school, there is no state academic accountability report available for 2011-2012 school year; however, the percentage of classes taught by highly qualified teachers was higher than the 100 Academy. It is too early to speak with much certainty about the outcomes of Imagine Mt. View, more time is needed for Imagine Mt. View to demonstrate success.

Quest Academy Preparatory Education formerly contracted with Imagine Schools Inc., but broke from them in 2011.

Overall the existing academic track record is not compelling.

Imagine Schools Inc. has come under scrutiny nationally as well as here in Nevada. An April 6, 2010 Las Vegas Sun article entitled Charter School Families Find They Have Little Say Over Company stated, "The concerns of the Valle community are familiar refrains involving Imagine Schools. Similar complaints about exorbitant fees for management services, high rent and lack of local control by the governing board have surfaced at 100 Academy, as well as campuses in other states." The proposed lease appears consistent with problematic lease agreements at other schools contracting with Imagine (typically through Imagine Schools Inc. affiliate School House Finance).

Evidence of Capacity

Rating

- ***Does not meet the standard***

Plan Summary

Imagine Centennial's CTF is comprised of 5 members. Hadassa Lefkowitz is an elementary school teacher in the Clark County School District. Anna Webb is also an elementary school teacher in the Clark County School District. Dennis Shinn is currently an IT instructor and course manager at Integrated Technologies Corp. Susan Aventi is an assistant accounting manager with the Howard Hughes Corporation. She has also worked as an Internal Auditor for E & J Gallo Winery. Julie Williams is the owner of Clear Waters, a local pool care company in Las Vegas.

Analysis

The Committee to Form Imagine Centennial did not appear to have the capacity to oversee the successful development and implementation of the education program as presented; to oversee the effective and responsible management of public funds; and to oversee and be responsible for the school's compliance with its legal obligations.

The Committee did not appear to have conducted due diligence in their selection of Imagine Schools Inc. as the EMO. The application included a number of reasons and criteria upon which the Committee selected Imagine Schools Inc.; however, in the Capacity Interview no members of the Committee were able to speak to specific services they would receive from the EMO, other than general reference to "infrastructure", "tools to make the charter successful", "development of staff", and "fund the cost if the Committee to Form does not". Additionally, no Committee members were able to speak to or specify the costs (administrative allocation or otherwise) stated within the contract.

The Committee also cited that a benefit of the relationship was that Imagine would provide the lease -- "a big part of this is the lease that Imagine will provide". Confusing the management contract between Imagine Schools Inc. and the school with the lease was troubling especially in consideration of the publicity related to Quest Academy (e.g., "Battle Rages Between Charter School and Management Company" Las Vegas Sun, June 30, 2011 and "Charter School Families Find They Have Little Say Over Company" Las Vegas Sun, April 2, 2010). That the Committee was apparently unaware of this history and the proposed higher than average lease costs, and the lack of thoughtful analysis of the lease was troubling.

Neither the application nor the Capacity Interview left the Review Team with the confidence that the Committee fully understood their duties and responsibilities as public servants.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration regarding the Application Review Team's recommendation of Promise Academy's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 12

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Promise Academy

Charter School Application Recommendation Report

Proposal Overview

School Name

Promise Academy Charter School

Mission (Application Item A.1.2)

Our mission is to create an enriching, effective learning environment using research based strategies that are developmentally appropriate so that all students master the common core state standards. Our focus is on second language learners and will include developing their English language proficiency. Our purpose is to prepare our students with a strong foundation to meet the rigorous demands they will face in their future, whether it be college and/or career.

Student friendly: "Promise Academy creates an environment where all students can learn and become prepared for the future.

Proposed Location (from Charter Application Cover Sheet)

Clark County, East Side of Las Vegas

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	k-5	k-2	216
Year 2 (2014)	k-5	k-3	288
At capacity	k-5	k-5	432

School Designations: At-Risk

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Does not meet the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Does not meet the standard

Section 4. Performance Record

- n/a

Section 5. Evidence of Capacity

- Approaches the standard

Education Program Design

Rating

- *Does not meet the standard*

Plan Summary

The K-5 school proposes to serve second language, low socio-economic students who have been underserved. The applicants intend to meet common core standards through instructional strategies that include: encompassing balanced literacy across the curriculum, using a language experience approach, process writing, utilizing cooperative learning, and include an inquiry approach to teaching and learning. The yearly academic calendar accommodates instruction in reading, language, social studies, mathematics, science, art, music, physical education, and computers.

Analysis

The Education Program did not meet criteria for approval because, even though the school seeks to address a very real need, the level of detail provided in the application was not sufficient to suggest that the school described would provide a superior education for the students in the target group. The Review Team's overarching concern was that elements of the Education Plan lacked detail, coordination, and frequently were not aligned with other aspects of the proposal. The Committee to Form clearly demonstrated a desire to improve the education of English language learners from low-income families; however, the Education Plan contained a number of weaknesses that undermine the Evaluation Team's confidence.

No comprehensive, sustainable plan for professional development was found in the application. The plan for professional development lacked sufficient detail and did not bring together the variety of activities and trainings referred to elsewhere in the application. As proposed, there appears to be no professional development throughout the school year – only at the beginning and end.

The proposed school's mission listed academic achievement as a primary focus, yet the goals included in the application would not necessarily result in improved student learning and appear to fail to hold the school accountable for the learning of students who have been in their care for less than 3 years. Although partially explained in the Capacity Interview, any goal expecting students to grow by less than one full year in language proficiency implies acceptance of a level of achievement that will not make a true difference in students' lives.

No clear and compelling alignment existed among the proposed school's mission, curriculum, and instruction. The Education Plan omitted information in some areas, and failed to provide adequate detail in a number of others. Many of the assertions made within the application were not adequately supported through research or other evidence.

The applicants have laudable aims to serve an at-risk population of students.

Operations Plan

Rating

- ***Does not meet the standard***

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Katie Pellegrino, educator, Dorothy Heenan, financial, Nicole Martin, educator, Patricia Moyer, human resources, Laura Esparza-Picos, parent, Amy Zeiders, educator

According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would not contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school; it would not provide distance education courses and/or programs. The school's administration would consist of a Principal and Assistant Principal/Financial Operations Operator. The school would use a student:teacher ratio of approximately 18:1. Teachers will be encouraged to hold a TESL license endorsement.

The application identifies the school's administrator: Katie Pellegrino.

Analysis

The Operations Plan did not meet the criteria for approval because the application failed to provide an effective plan involving parents, professional educators, and the community in governance of the school. The application also failed to demonstrate an understanding of management needs and priorities including a staffing plan that appeared viable and adequate for effective implementation of the proposed plan.

The narrative section included a laudable intent to find members of the community, parents, and others to serve on the board; however, there was no clear plan to recruit board members included in the application. A clear and well developed plan to recruit members was needed in consideration that the current members of the Committee to Form (CTF) the school are family members, friends and former co-workers of the proposed principal. While some degree of connection among members is common, the lack of additional members outside this circle called into question the Committee's ability to recruit additional members. Additionally, the Committee's understanding of their role as board members appeared to vary somewhat, with management mentioned on a number of occasions and fiduciary duty/performance oversight almost uniformly omitted.

Other areas of the Operations Plan were unclear or lacked detail to an extent that made it impossible for the Review Team to conclude that the school could be prepared to open on schedule and successfully serve students. For example, a financial officer was mentioned on the organizational chart but there was no associated job description. The organizational chart did not include the school's board and did not

show clear lines of authority. The Operations Plan did not contain adequate strategies for recruitment and retention of effective teachers.

With additional time and experience, the Committee and school leaders can strengthen the operations plan and could be successful in the future.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

No pre-opening budget is presented. Budgeted enrollment for years 1 and 2 is 216 and 288 students, respectively. The DSA calculation sheets used 259.2 and 331.2. Both the budget and the cash flow statements are incomplete and incorrect to the degree that no meaningful conclusions can be drawn. For example, no rent, utilities, contracts, insurance or SPCSA fees are included in cash flow. Budget shortfall contingency plans are nebulous, making statements such as “Hopefully, all budget shortfalls will be identified in a sufficient amount of time to address.” and “We will actively pursue donations and apply for grants to assist with any budget shortfalls, as well as pursue fundraising opportunities.” At one point in the application, reference is made to an office manager and an accountant. In another place, they state that “Promise Academy does not know the position title/name of individual at the school, name of accounting firm, or contact person who will be handling the school’s financial liability.”

Analysis

The Financial Plan did not meet criteria for approval because the number and weight of errors and inconsistencies made in the budgets did not exhibit sufficient capacity by the Committee/school leadership to manage the business functions of a charter school.

The Committee did not outline viable strategies for meeting potential budget and cash flow challenges outside of a statement that teachers would be notified when they need to begin paying for desired supplies on their own. Multi-grade classrooms were presented as a strategy to meet initial year financial challenges yet there was no mention in the Education Plan of multi-grade classroom instructional models.

The budget, as proposed, did not present a financially viable organization – revenue in the first year was outstripped by expenditures. Enrollment numbers were not consistent within the charter school application. The budget projected enrollment higher than other areas of the application. Expenses were omitted (e.g., facilities) or estimated to be lower than one can expect.

The Committee indicates they are pursuing sponsors/donors but no information has been given to suggest that they have been successful in the past or up to this point.

In the Capacity Interview the Committee acknowledged the lack of capacity in finance and is encouraged to expand membership to include expertise in this area.

Evidence of Capacity

Rating

- *Approaches the standard*

Plan Summary

Promise Academy's CTF is comprised of six members. Dorothy Heenan is the Assistant Vice President of Transaction Accounts at One Nevada Credit Union. Nicole Martin is a Clark County Special Education teacher. Patricia Moyer retired in 2008 and now is a front desk attendant volunteer with the Cleveland Clinic Lou Ruvo Center for Brain Health in Las Vegas. Kathleen Pellegrino has a Master's in Education Administration and is currently a Literacy Specialist at Edwards E.S. in Clark County. Amy Zeiders has a Master's of Education in Curriculum and Instruction and is currently an ELL teacher in Clark County. Laura Esparza-Picos is a parent of a child at the proposed charter school.

Analysis

The Evidence of Capacity partially met the criteria for approval because the application did not provide sufficient evidence that the proposed administration of the school has a record of success in a leadership capacity. Likewise the poorly constructed budget and financial management plan did not demonstrate competency of the Committee to direct the business functions of the school, and the proposed board as a whole lacked a record of success or demonstrated experience relevant to accomplishing the ambitious tasks presented in the application. Deficiencies in all areas of the application suggested that the Committee/leadership team needs more time to develop its plan and cultivate capacity (in the Committee and proposed board) and partners to bring to life its vision for a successful school.

The Committee is commended for their desire to start a charter school specifically serving English language learners. The Committee brings a wealth of experience in professional practice working with English language learners in Clark County.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

SUBJECT: Consideration regarding the Application Review Team's recommendation of Legacy International College Prep Academy's charter school application

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

MEETING DATE: October 18, 2012

AGENDA ITEM: 13

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Legacy International College Prep Academy

Charter School Application Recommendation Report

Proposal Overview

School Name

Legacy International College Prep Academy

Mission (Application Item A.1.2)

The LICPA mission is to maximize student academic achievement; prepare students for college, careers, and life-long learning through transformative, individualized, blended learning education opportunities; graduate students who will contribute purposefully to society; and prepare teachers for 21st Century teaching through professional development.

Proposed Location (from Charter Application Cover Sheet)

Clark County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	4-12	4-12	240
Year 2 (2014)	4-12	4-12	240
At capacity	k-12	k-12	360

School Designations: Distance Education

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Does not meet the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Does not meet the standard

Section 4. Performance Record

- Approaches the standard

Section 5. Evidence of Capacity

- Does not meet the standard

Education Program Design

Rating

- *Does not meet the standard*

Plan Summary

Legacy International College Prep Academy proposes to maximize student academic achievement and prepare students in grades 4-12 for college, careers, and life-long learning. The proposed targeted school population would be athletes and student performers who may or may not be at-risk of failing due to athletic and performance schedules. The school proposes to use distance education curricula in a blended learning format. Students would have the opportunity to complete coursework online from a variety of distance education providers such as APEX, Connections, and K12, but also have the opportunity to work face-to-face with teachers located at a designated school site. Grades K-3 may be added at a later date.

Analysis

The Education Program did not meet the criteria for approval because the plan was not adequately developed to determine whether the model could be successfully implemented.

The Capacity Interview helped clarify the Committee's and Educational Management Organization's most recent thinking regarding the number of curriculum providers and the manner by which the different platforms would coordinate for the benefit of students. However, further development was needed in this area and the application must reflect the intended curriculum and management thereof.

Many of the educational as well as organizational goals identified in the application did not meet the SMART stipulation. Further refinement of the goals would be needed in order to measure the program's success with students. The Review Team suggested revisiting the entire section that addresses how Legacy would serve Special Student Populations.

The idea behind Legacy, to provide student athletes and other high-level student performers with a top-notch college preparatory education while allowing them the flexibility to pursue their talents, is commendable. The applicants' provision of information on the number of such students present in Nevada was helpful and appeared to indicate that there is a potential need for an educational model of this type. The Committee is encouraged to further refine their understanding of the school and develop an application that more clearly articulates the Education Program.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: David Meckley, educator; Mia Banks, “business and parent;” Porter Troutman, educator; Chuck Edwards, human resources; and Ryan Krametbauer, legal

According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: Legacy Innovations. The school would provide distance education courses and/or programs.

The school would hire a principal, an office manager, four teachers, four tutors/teacher aides. A student:teacher ratio of 30:1 is anticipated. The application does not identify the school’s administrator.

Analysis

The Operations Plan did not meet criteria for approval because the application failed to correctly identify the kind of school based on the grades that would be served during the first year of operation nor included a staffing plan that appeared viable and adequate for effective implementation of the proposed education program.

The Committee was applying for a school to serve grades K-12, but openly admits that the model may not be suited for younger students. The Review Team commended the Committee’s honest assessment but would have liked to see the Committee provide a thoughtful strategy to address potential areas of weakness for younger students or deliver an application that clearly identified the grades for which the Committee believes the model to be well suited.

Very little information was provided on the hiring process or desired qualifications for the “highly qualified” staff. Given the complexity of the model, the lack of clear pipelines of talent, and the fact that teachers would be working with students in multiple grade configurations, clear recruitment and retention strategies should be developed. Similarly, the information provided on policies and procedures relied heavily on assurances of future compliance rather than proof of work done toward these goals.

Critical attachments did not contain an adequate level of detail to enable the Review Team to determine whether the suggested school would be able to operate properly. For example, the organizational chart lacked clear lines of authority, making it difficult to determine who would be responsible for which

employees. It is unclear why the creation of an EMO is necessary at this time and no clear growth plans were put forth.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

Budgeted enrollment for years 1 and 2 is 120 and 240 students, respectively, yielding positive fund balances of \$630,840 and \$1,261,680. Year 1 results include a projected beginning balance of either \$48,000 or \$50,000, depending on the source, \$48K stated in the pre-opening budget, \$50K from the FY14 cash flow statement. In either case, the \$80,000 pre-opening donation from the Darling Tennis Center is not documented as a secure commitment from DTC. Mention is also made of potential fundraisers, seeking donations from local organizations, salary reductions from already low salaries and requesting the principal and teachers to work without pay for periods of time. An office manager will be hired.

Analysis

The Financial Plan did not meet criteria for approval because the application failed to demonstrate an understanding of the school's financial management obligations nor presented a budget that supported key parts of the school's plan. Some line items did not match the education plan, and no narrative explanation was provided. For example, the school projected 120 students during its first year of operation, and intended to hire only 4 teachers who would perform small/whole group instruction on an "impromptu" basis, it budgeted for 8 smartboards.

The salaries listed for teachers, at \$25,000 were inadequate even for part-time instructors given the variety of grade levels and the certain complexity of tracking student progress. The \$5,000 listed for tutors was unrealistic. The budget assumed that facilities would be available for free, but no letter of commitment from any partner agency was provided. The budget failed to provide any allotment for substantial expenses such as insurance.

No insurance or rent expense was included on the cash flow statement. Outside revenue was not budgeted for or included as cash flow. DSA did not account for kindergarten (60% of basic support). State Fee should be 1 ½ %, currently shown as \$960.00 which is less than 2/10ths of percent. If outside revenue had been calculated correctly, the fee would be \$11,316.60.

The number and depth of mistakes in the budget as well as the lack of internal alignment with the proposed education and operations plan undermined the Review Team's confidence in the proposed school.

Performance Record

Rating

- *Approaches the standard*

Plan Summary

Legacy International College Prep Academy intends to contract with Legacy Innovations International (LII) an Educational Management Organization. It appears as if LII was created for the sole purpose of contracting with Legacy International College Prep Academy, as it does not have any other contracts with charter schools. According to the contract included in the application, Legacy International College Prep Academy intends to engage LII to provide academic, administrative and financial services and support to the school. Legacy Innovations International will charge the school \$500 per FTE pupil (\$417 in first year). The contract also contains a trademark license and affiliation agreement for use of the Legacy International College Prep Academy (Trademark). The trademark contract contains a fee of 1% of the guaranteed basic support payment per pupil funding that the school receives.

Analysis

Legacy Innovations International did not provide compelling evidence of the company's educational and management success. The application relied upon the personal success of Dr. Grubaugh and Dr. Levitt (the principals of LII) in somewhat related endeavors as a proxy for the EMO's track record. Further, the application included a reference to a parent's testimony but the testimonial itself was not provided.

LII appears to be spun off from the Legacy International College Prep Academy pilot program and the Darling Tennis Center Junior Athletic Program. Unfortunately, despite the advantages of having run a year-long pilot, the application failed to capitalize on the potentially rich data available and did not contain much information regarding how qualitative findings would be incorporated into the model. Likewise, despite more than 20 students participating in the pilot program, meaningful quantitative data was not included. The information provided by the applicants with regard to the performance of the students in the pilot program was anecdotal at best, and so unclear as to be nearly useless in attempting to determine the efficacy of the academic program and LII prior success.

Evidence of Capacity

Rating

- *Does not meet the standard*

Plan Summary

Legacy International's CTF is comprised of five members. Dr. David Meckley is a Curriculum and Instruction professor at UNLV. Col. Charles Edwards is a retired USAF colonel. Mia Banks is the Director of Table games Macau Casino Operations. Ryan David Krametbauer is a lawyer at the Law Office of William Brenske and Porter Lee Troutman is a professor of Curriculum and Instruction at UNLV.

Analysis

While members of the Committee have strong professional experience and training, the insular nature of the Committee, which appears to primarily be a group of the founders' (and EMO principals') friends and colleagues, calls into question the ability of the future board to fulfill its obligations, most notably, holding LII accountable.

Compounding this issue was the Capacity Interview which was attended by only one member of the Committee. It was impossible to understand the Committee's knowledge and understanding of the application and due diligence in the selection of LII as the EMO.

Numerous material deficiencies in the application called into question the Committee's ability to found and sustain a quality charter school and Legacy Innovations International's ability to consult with a Committee to assist in the development of a viable program.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Report on and possible consideration of Quest Academy's proposed purchase of real property

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

MEETING DATE: October 19, 2012

AGENDA ITEM: 17

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Connie Jordan, Principal, Quest Academy of Nevada and Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

STEVE CANAVERO, Ph.D.
Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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

August 31, 2012

Christina Fuentes
Quest Academy, Governing Body President
6610 Grand Montecito Pkwy
Las Vegas, NV 89149

Reference: 10 acres of vacant land Parcel #125-19-301-007 and 008

Dear Ms. Fuentes:

On Monday, August 27, 2012 I received an email from Quest's counsel Kimberly Maxson-Rushton with two attachments related to approximately 10 acres of vacant land identified by parcel #125-19-301-007 and 008 (property): a Purchase Sale Agreement (PSA) and Tenants in Common Agreement (TIC). The email requests the PSA be reviewed as soon as possible so the parties may proceed with due diligence and move forward with completing the purchase of the land. A cursory review of the PSA by Authority staff has been conducted. Staff noted that the PSA contains confidentiality provisions (Article XV, 15.01) that may run counter to the requirements of Nevada's sunshine laws. However, it is not a matter of Authority staff "approving" the PSA, rather it is the responsibility of Quest to obtain the permission of the Authority Board to purchase real property pursuant to NRS 386.550(1)(k). Submission of the PSA and TIC documents to Authority staff is a step, only, in that process.

I appreciate the need for Quest to pursue an appropriate facility given the apparent termination of the lease at the present location; however, some steps have been overlooked in that pursuit. The intent of this letter is to provide Quest with guidance on how to proceed.

Because the acquisition of real property by Quest must be approved by the State Public Charter School Authority Board (Authority), your sponsor, pursuant to NRS 386.550(1)(k), it is necessary that the Authority be completely informed of Quest's plan to purchase and, if applicable, improve the property. In addition to gaining approval from your sponsor in advance of purchasing real property, two additional statutes inform this guidance. Quest is required to assign a security interest, as required by NRS 386.570(8), and the Quest Board must authorize, if required by statute, any medium-term debt obligation.

I recommend that Quest appear before the Authority at the October 18/19, 2012 meeting and present, as an informational item, the facility concerns, purchase plans, and the many avenues Quest has pursued and is pursuing to find an adequate facility. This first interaction with the Authority presents an opportunity for the Authority to express its concerns to Quest as well as for Quest to establish the basis for an additional meeting, if needed, where Quest may request the Authority take action relative to a proposed purchase of real property. Following the October meeting the Authority anticipates meeting in January, 2013.

My recommendation is for Quest to submit their materials to the Authority in the form of a packet or binder. Quest's packet should contain sufficient detail (see below) to render a comprehensive review of all matters related to the full transaction and the security interest in order for the Authority to discuss and possibly act upon your request. Quest may choose to submit the packet or binder in hard copy, but is required to submit the packet of material in electronic form to Authority staff.

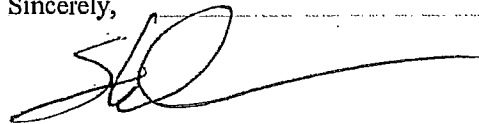
The following are the minimum requirements to be addressed if Quest intends to have this item heard for possible action. If Quest is unable to address any of them, or addresses any in an unsatisfactory manner, Authority staff will recommend to the Authority Board postponement of action until January.

- ✓ • A thorough, detailed, and complete description of the proposed project.
 - The reason for the purchase; why purchase by the governing body of the property is the best option.
 - A comprehensive timeline is an important component of the description of the proposed project.
 - Comprehensive budget (at least two years) demonstrating the school can buy, build, maintain, and/or improve the proposed property without impacting the school's near and long term financial viability.
 - Contingency plans for higher than anticipated costs.
 - Base the budget on realistic, historic projections of revenues.
- Intended use of the property or properties by other entities with agreements.
 - If applicable

- The Quest Governing Body Agenda and Minutes where
 - The purchase of real property was discussed.
 - A decision was made to seek approval from the sponsor to purchase real property.
 - Financing, including the resolution to enter into a medium term debt obligation, was discussed and acted upon.
 - See NRS 350.087 (below)
- Permits and zoning issues should be fully documented.
 - What issues are there and plan for resolution of those issues
- Proposed purchase documentation for each property.
- Contingency plan(s) if the purchase or build out, if applicable, is delayed and not ready for student occupancy.
- Financing
 - Terms of the loan;
 - Insurance coverage and costs;
 - Improvements or build out to suit school needs;
 - Architect plans/improvements
- What are the school's contingency plan(s);
 - If enrollment declines.
 - If DSA support declines.
- Deed documentation and restrictions or covenants.
- A draft of the proposed security interest to be assigned.
- Request for amendment of the charter prior to occupying the acquired space (see NRS 386.3265).

If Quest intends for this item to appear before the Authority at the October 18/19, 2012 meeting then the materials, in the form of a packet, must be submitted by close of business on October 8, 2012. Please don't hesitate to call or email with any questions you may have.

Sincerely,



Steve Canavero, Ph.D.

Cc: Connie Jordan, Director Quest Academy *(via email)*

Kimberly Maxson-Rushton, Council, Quest Academy *(via email)*

Shane Chesney, Senior Deputy Attorney General, State Public Charter School Authority *(via email)*

Kathleen Conaboy, Chair, State Public Charter School Authority *(via email)*

NRS Specific to Acquisition of Real Property and Medium-term Debt Obligation

NRS 386.550 (1)(k) Refrain from using public money to purchase real property or buildings without the approval of the sponsor.

NRS 386.570 (8) If a charter school uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the charter school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

NRS 350.087 Resolution authorizing medium-term obligation or installment-purchase agreement: Adoption; contents; notice.

1. If the public interest requires a medium-term obligation or installment-purchase agreement, the governing body of any local government, by a resolution adopted by two-thirds of its members, may authorize a medium-term obligation or installment-purchase agreement. For the purposes of the issuance of a medium-term obligation pursuant to NRS 280.266, a metropolitan police committee on fiscal affairs shall be deemed the governing body of a local government.

2. The resolution must contain:

(a) A finding by the governing body that the public interest requires the medium-term obligation or installment-purchase agreement;

(b) A statement of the facts upon which the finding required pursuant to paragraph (a) is based;

(c) A statement that identifies:

(1) Each source of revenue of the local government that is anticipated to be used to repay the medium-term obligation or installment-purchase agreement; and

(2) The dollar amount that is anticipated to be available to repay the medium-term obligation or installment-purchase agreement from each such source; and

(d) If the resolution is for an installment-purchase agreement with a term of more than 10 years:

(1) A statement comparing the cost of installment-purchase financing with other available methods of financing, including, without limitation, financing with general obligation bonds or revenue bonds; and

(2) If such statement concludes that installment-purchase financing is more expensive than other available methods of financing, a statement explaining the reasons for choosing installment-purchase financing instead of a less expensive alternative.

3. Except as otherwise provided in subsection 4, before the adoption of any such resolution, the governing body shall publish notice of its intention to act thereon in a newspaper of general circulation for at least one publication. No vote may be taken upon the resolution until 10 days after the publication of the notice. The cost of publication of the notice required of an entity is a proper charge against its general fund.



Comprehensive Project Timeline

Permanent Facility.

Proposed Location: Deer Springs & Grand Canyon, Las Vegas, NV 89149

This proposal is presented to the State Public Charter School Authority to describe the purchase of real property by Quest Academy for a permanent facility. This packet was developed by the Facility Committee of the Governing Board of Quest Academy. As we seek approval for this purchase, we are available to answer any questions. The packet contains sufficient detail and includes the following information:

- Background - Page 2
- Governing Board Information - Page 3
- Timeline - Page 4
- Permitting & Zoning - Page 8
- Architect/Building Plans - Page 9
- Construction Contractor - Page 10
- Realtor/Property Information - Page 10
- Funding Information - Page 12
- Future Site Budget - Page 13
- Capital Improvement Plan - Page 13
- Contingency Plan - Page 14
- Security Interest - Page 14
- Charter Amendment - Page 14
- Attachments enclosed

Project Packet & Timeline Future Site
Last Updated 10/11/2012



Background

Reason for purchase

The reason for purchasing this property has always been to serve the Las Vegas community. In order to accommodate our existing students and siblings, the need for a permanent facility became very clear. In addition, we have a Kindergarten through 12th grade waiting list of over 300 families with a strong desire to receive a quality education. See **Attachment A** for Enrollment Data.

Quest previously signed a two-year lease agreement for its current location which expires June, 2013. This document clearly defines our contingency plan for our future site.

Why purchase is best

The Governing Board of Quest Academy saw a purchase of real property as an investment into the school's future. The community is well suited for families because of its close proximity to parks and shopping. A purchase means that our school is paying the true value of the property, rather than an inflated rent through a leasing agent.

Intended use of property

We intend to use this particular site for a kindergarten through 12th grade facility. The location is 10 acres of undeveloped land which we intend to build a 40,000 square foot facility with a proposed expansion for an additional 35,000 square feet. The building will include a certified gym and space for a regulation-size soccer field. The school will be located in northwest Las Vegas and will meet the needs of over 1,200 families.



Governing Board

Approval to Establish a School Facility Committee

The Governing Board of Quest Academy approved the establishment of a Facility Committee on August 29, 2011 to seek and recommend a future home for Quest students.

Use of Attorney to Review Legal Documents

The Governing Board of Quest Academy has used the legal services of Cooper-Levinson to review all legal documents throughout the purchase process.

Approval of Property for Future Site

The Governing Board approved the location of Deer Springs and Grand Canyon for the future site at the August 2, 2012 Emergency Board Meeting.

Purchase of Real Property Authorization

The Governing Board of Quest Academy voted to authorize the purchase of the land and build a school facility located at the corner of Deer Springs and Grand Canyon, Las Vegas, NV 89149 at their board meeting on March 19, 2012.



Timeline

Future Site Timeline

The Governing Board of Quest Academy recognized early in July, 2010 the need to house over 1200 students. Because of limited space in the current facility and the **expiration of the lease**, the need for a dedicated facility would continue to support long-time families and wait-list families as well as the continued employment of 75 employees. The Governing Board immediately stepped into action and created a Scope of Work and the following timeline to keep this important project on task. An additional timeline provided by First American Title Insurance can be found in **Attachment B**.

Date	Event	Outcomes
1. July, 2010 -- July 2011	Search for future site	<ul style="list-style-type: none"> Met with brokers, investors & architects to assist in decision making process
2. July, 2011	Establish Facility Committee	<ul style="list-style-type: none"> Vote and approved at GB meeting
3. August 23, 2011	Facility Committee create a Project Scope	Facility Requirements: <ul style="list-style-type: none"> Location: NW LV Size: ~75,000 square feet Enrollment: ~1200 students Timeline: 18 months Marketing: Existing siblings + waiting list families Staffing: Teachers, aides, administration
4. August 29, 2011	Initial presentation to Governing Board for discussion	<ul style="list-style-type: none"> Discuss Project Scope with Governing Board

Date	Event	Outcomes
5.	Project Team Selected	<ul style="list-style-type: none"> • Jason Klonoski, Project Manager • Curt Carlson, SH Architecture • Matt Waltz, Waltz Construction • Vernon Law, Quest Governing Board • Marc Abelman, Quest Governing Board • Kimberly Maxson-Rushton, Legal Counsel • Terry Warren, Bond Attorney • Jack Hollar, Broker
6.	November 5, 2011 Architect designs new facility	<ul style="list-style-type: none"> • Architect will provide plans to GB when available
7.	December 3, 2011 Terry Warren meets with RBC to discuss bond options	<ul style="list-style-type: none"> • Terry Warren meets with Quest Administrator and Staff to explain bond funding and create list of required documents necessary to obtain bond funding.
8.	January, 2012 to March, 2012 Investigate possible partnerships for future site	<ul style="list-style-type: none"> • Facility Committee members and school administrator meet with Bartsas Family to discuss site located at Grand Montecito and Centennial • Explored options with Highmark Development for possible funding and construction
9.	January, 2012 Governing Board Meeting	<ul style="list-style-type: none"> • Architect shows detailed plans of future facility to GB & parents • GB approves Capital Improvement Plan
10.	February 1, 2012 Submit Capital Improvement Plan (NRS 354.5945) to state	<ul style="list-style-type: none"> • Uploaded to AOIS
11.	February, 2012 Meet with Jason Klonoski and Terry Warren to explore bond funding	<ul style="list-style-type: none"> • Quest staff begins process to provide information to Jason and Terry for bond funding.
12.	March, 2012 Monthly Principal Outreach Mtg.	<ul style="list-style-type: none"> • Principal updates community and parents about future facility including architectural plans, costs, timelines etc.

Date	Event	Outcomes
13. March, 2012	Follow up with property owner	<ul style="list-style-type: none"> • Mail letter to property owner regarding continued intent to purchase.
14. July 20, 2012	Architectural Meeting	<ul style="list-style-type: none"> • Discussion and preparation for City Planning meeting
15. July 2012	Vote for approval	<ul style="list-style-type: none"> • Voted and approve at GB meeting selections: <ul style="list-style-type: none"> • Waltz Construction • Jason Klonoski, Project Manager • SH Architecture submits plans
16. August 6, 2012	Pre application Meeting with City of Las Vegas, Planning Dept.	<ul style="list-style-type: none"> • Met with Larry Law for plan review
17. August 13, 2012	Meeting with SNHD	<ul style="list-style-type: none"> • Refer to letter from Steve Canavero for items to include in Information Packet
18. September, 2012	Complete facility information packet for State Charter School Authority Board.	<ul style="list-style-type: none"> • Include Security Interest and Promissory Note documentation in purchase agreement
19. October 9, 2012	City of Las Vegas, Planning Commission Meeting	<ul style="list-style-type: none"> • Discussion and possible action to approve of location for future site
20. October 19, 2012	Quest presentation to State Charter School Authority Board	<ul style="list-style-type: none"> • Expected outcome from State Board Meeting: approval for purchase of undeveloped land and construction of 40,000 square ft. facility • Once approved by State, GB signs Purchase Agreement • Update parents about approval of future facility • Sign necessary documents • Board approves earnest deposit for bank.

Date	Event	Outcomes
21. October 22, 2012	Governing Board Meeting	<ul style="list-style-type: none"> Board votes to approve moving forward for bond funding.
22. November 2, 2012	Monthly Principal Outreach Mtg.	<ul style="list-style-type: none"> Principal updates community and parents about future facility including architectural plans, costs, timelines etc.
23. December 7, 2012	Monthly Principal Outreach Mtg.	<ul style="list-style-type: none"> Principal updates community and parents about future facility including architectural plans, costs, timelines etc.
24. December 14, 2012	Final bond funding paperwork submitted	<ul style="list-style-type: none"> Bonding agents look for investors for next 30 days.
25. January, 2013	<ul style="list-style-type: none"> Bond Grading Bond Funded 	<ul style="list-style-type: none"> Bonding agents obtain Bond Grading and fund Quest Academy Bond.
26. February, 2013	Construction Begins	<ul style="list-style-type: none"> Waltz Construction
27. May 2013	<ul style="list-style-type: none"> Facility near completion Transfer classroom supplies and equipment from main campus to new facility when school ends 	<ul style="list-style-type: none"> Student desks, teacher desks, cabinets, books, supplies etc.
28. June 2013	<ul style="list-style-type: none"> Final cleanup of new facility Final Inspections 	<ul style="list-style-type: none"> Follow up with Waltz Construction on actual dates
29. June 2013	<ul style="list-style-type: none"> Send invitations to families Send invitations to State Charter Authority Send invitations to City Council 	<ul style="list-style-type: none"> Invite everyone to Grand Opening! Issue Press Release Create list of dignitaries for invites
30. August 2013	<ul style="list-style-type: none"> Set up classrooms Hire/train staff Conduct staff orientation Grand Opening Ceremony! Conduct student open house 	<ul style="list-style-type: none"> Employee Orientation held at main campus Grand Opening Ceremony Date TBD
31. August 18, 2012	SCHOOL BEGINS	



Permitting & Zoning

City of Las Vegas Planning Commission

Permits & Zoning	Pre-Application	Closing Day for Application	Commission Meeting	Comments
City of Las Vegas Planning Commission	August 2, 2012	August 23, 2012	October 9, 2012	Ground breaking will occur after City approval

Quest Academy Special Use Permits (SUP-46570, SUP-46572 and SUP-46573) were approved by the City of Las Vegas Planning Commission on Tuesday, October 9, 2012.

Please refer to **Attachment C** for City of Las Vegas Planning Commission Meeting Schedule and the Applications for Special Use Permits.

Architect/Building Plans

Selection of Architect

We were fortunate to find and subsequently select, SH Architecture to oversee design of our Future Site. SH Architecture specializes in building schools, they immediately understood our needs and got to work on creating plans and recommending contractors.

Building Plans

Please see **Attachment D** for the building floor plans for our proposed Future Site. Larger architectural designs are included with this packet.

Construction Contractor

Waltz Construction

The Governing Board of Quest Academy voted and approved the hiring of Waltz Construction during the regular monthly meeting held on January 30th, 2012. Staff of Quest Academy has since met with the owner, Matthew Waltz to discuss other school projects their company has completed. Waltz submitted a final proposal to the Facility Committee of Quest regarding all construction work to be completed at the Future Site.

See **Attachment E** for the Waltz Construction breakdown and pricing of the proposed construction costs.

Realtor & Property Information

Partnership with Jack Hollar

The Facility Committee of Quest Academy met with Jack Hollar regarding the property on Deer Springs. Mr. Hollar negotiated with the owners of the property to sell the undeveloped land to Quest Academy.

Temporary Facility Plan

Backup Plan for Conducting Classes

The Governing Board of Quest Academy is confident that the new facility will be constructed on time for the first day of school in August, 2013. However, it's prudent that the staff and administration be prepared to conduct classes in the event that the new facility is not completed. The Facility Committee has researched viable options and has decided that the best backup plan is to utilize the unused areas of the new property to install temporary portable classrooms while construction is completed. Below is the estimated cost breakdown for portable classrooms per month:

Item	Quantity	Unit Price	Total Price
Portable Classrooms	20	\$2,000	\$40,000
Portable Restrooms	2 (1 ladies + 1 mens)	\$1,000	\$2,000
Generators	5	\$200	\$1,000
Portable Offices	4	\$2,000	\$8,000
		TOTAL Monthly Costs	\$51,000

Funding

Bonds, Investors, Building Funds, Contingency Funds

In January, 2012 staff and Governing Board members of Quest Academy met with Terry Warren and Jason Klonoski to discuss options for funding the Future Site land and building. Mr. Warren and Mr. Klonoski explained the process of bond funding. Mr. Warren is an attorney experienced in bond funding and works closely with Mr. Klonoski and others to secure funding for schools. The discussion among board members was prompted by talks with Dr. Canavero about how schools use bonds to fund capital improvements. Quest is confident that a bond can be secured to pay for the land and K-12 facility. It is estimated that a bond of \$13 million will cover the costs for the land, including City of Las Vegas property improvements as well as the building and the athletic fields.

Governing Board Contingency Fund & Building Funds

The Quest Governing Board is committed to success and proliferation of its schools and its charter. Since 2010, the board has maintained a contingency account of 3.0% of its annual budget revenue. The purpose of this account is to address any unexpected events. Although we do not expect a decline in enrollment, we have planned for such events financially. We have worked hard for four years to maintain a quality educational program and we work diligently to market our school, its curriculum and its teachers to make Quest appealing to families and students. The school also maintains a Building Fund of 1.0% of its annual budget revenue.

On October 22, 2012, the Governing Board of Quest Academy will discuss the use of bonds to fund the Future Site. The loan will be up to a 30-year Long Term Debt Obligation using a competitive fixed interest rate which will be determined at a later date.



Future Site Budget

Proposed Budget for Future Site

A proposed budget for the future site was submitted to the Quest Academy Facility Committee in January, 2012 for review. A copy of the proposed budget for the Future Site is included in this packet. Please refer to **Attachment F**.

Capital Improvement Plan

Final Capital Improvement Plan

The final Capital Improvement Plan (NRS 354.5945) was originally submitted to the State Public Charter School Authority in February, 2012. A new Capital Improvement Plan with five-year projections for the Future Site will be submitted in February, 2013. The final 2012 version was uploaded to AOIS and a copy is included in this packet. Please refer to **Attachment G**.



Contingency Plan & Security Interest

Security Interest

Quest Academy will use Security Interest language and a Promissory Note in the Purchase Agreement with the property owner when the land is purchased. A copy of the Promissory Note and the Security Interest language that was executed for the Quest kindergarten facility is included in this packet as a sample. The final Security Interest document for the future site will be executed at the appropriate time. Please refer to the sample in **Attachment H**.

Charter Amendment

Quest Academy Charter

The Quest Governing Board charter was approved in 2008. A formal request for amendment to the charter to include the location at Deer Springs and Grand Canyon was discussed and voted upon at the March 19, 2012 Governing Board meeting. See **Attachment I** for a copy of the letter.

Grade Level	Current			Returning Students
	Enrollment	Waiting Lists	Total Enrollments	
K	104	142	246	
1st	113	15	128	46
2nd	112	38	150	99
3rd	112	36	148	97
4th	84	26	110	65
5th	84	33	117	72
6th	105	13	118	45
7th	70	13	83	56
8th	56	0	56	23
9th	70	0	70	18
10th	31	0	31	
11th	33	0	33	
12th	28	0	28	
TOTAL	1002	316	1318	521



First American Title Insurance Company
 National Commercial Services
 2490 Paseo Verde Parkway, #100, Henderson, NV 89074
 (702)731-4131 - Fax (866)289-5654

TIME LINE REMINDER /KEY DATES

DATE: September 13, 2012

ESCROW OFFICER: Michele D. Selbold

ESCROW NO. NCS-559834-HHLV

Buyer: Quest Academy of Nevada.

Seller: Russell Warthen and Shannon W. Samuels and Laurence R. Meyerson and The John E. Warthen Family Trust and The Linda M. Tucker Irrevocable Trust and The Judeth G. Lalley 1999 Irrevocable Tr and John Merrill Warthen Family Trust and Pete P. Kubina Trust and Robert L. Falman 1995 Irrevocable Trust and William Dean Harold Trust and The Naff Family Trust and RLF Diversified Limited Partnership

Thank you for opening escrow with us at the Commercial Department of First American Title. In order to better serve you, we have compiled the following information. Unless otherwise set forth in the Purchase Agreement the opening date of escrow shall be considered the date escrow holder has opened the escrow and placed it in its system. Please review this for accuracy.

Escrow No. : NCS-559834-HHLV

Property: SWC of W. Deer Springs Way & N. Grand Canyon Drive (125-19-301-007 & 008)

Effective Date: September 6, 2012 (should be the first business day after Buyer received fully executed agreement)

Opening Date: September 11, 2012

Title Review Period: November 12, 2012 (The Inspection Period)

Inspection Period Ends: November 12, 2012 (Commencing on the Effective Date and ending no later than sixty (60) days from the Effective Date).

Extensions: November 19, 2012 (Second Deposit: In the event that Buyer elects to proceed with the transaction beyond the expiration of the Inspection Period, a Second Deposit of Fifty-thousand and no/100 Dollars (\$50,000.00) in earnest money (the "Second Deposit") will be deposited with Escrow Agent, within five (5) days from the expiration date of the Inspection period).

Closing Date: January 11, 2012 (Any date after the expiration of the Inspection Period mutually agreed upon by the parties, but in no event later than Sixty (60) days after the expiration of the Inspection Period).

We look forward to working with you on a smooth closing. Thank you for choosing First American Title.

This Time Line Reminder is sent as a courtesy only. Should you not agree with said dates, please contact us. Should any date fall on a Saturday, Sunday or Legal Holiday please refer to your Purchase Agreement:



DEPARTMENT OF PLANNING

**2012
PLANNING COMMISSION MEETING SCHEDULE**

Pre-Application Conference Request Deadline	Application Closing Day	Planning Commission Meeting Date	City Council Meeting Date
November 3, 2011	November 23, 2011	January 10, 2012*	February 15, 2012
December 1, 2011	December 19, 2011	February 14, 2012	March 21, 2012
(January 5, 2012)	(January 26, 2012)	March 13, 2012	April 18, 2012
February 2, 2012	February 23, 2012	April 10, 2012*	May 16, 2012
March 1, 2012	March 22, 2012	May 8, 2012	June 6, 2012
April 5, 2012	April 26, 2012	June 12, 2012	July 18, 2012
May 3, 2012	May 24, 2012	July 10, 2012*	August 15, 2012
June 7, 2012	June 28, 2012	August 14, 2012	September 19, 2012
July 5, 2012	July 26, 2012	September 11, 2012	October 17, 2012
August 2, 2012	August 23, 2012	October 9, 2012*	November 7, 2012
September 6, 2012	September 27, 2012	November 13, 2012	December 19, 2012
October 4, 2012	October 25, 2012	December 11, 2012	January 16, 2013
November 1, 2012	November 21, 2012	January 8, 2013*	February 20, 2013
November 29, 2012	December 20, 2012	February 12, 2013	March 20, 2013

Quest Academy

Applications MUST BE submitted by 2:00 P.M. on CLOSING DAYS
 Applications WILL BE accepted until 4:00 P.M. on NON-CLOSING DAYS
 Call (702) 229-6301 for additional information

* GPA CYCLES

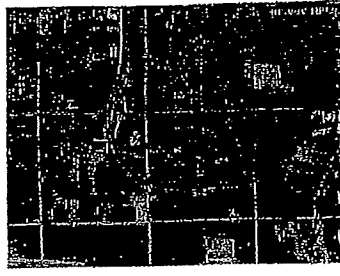
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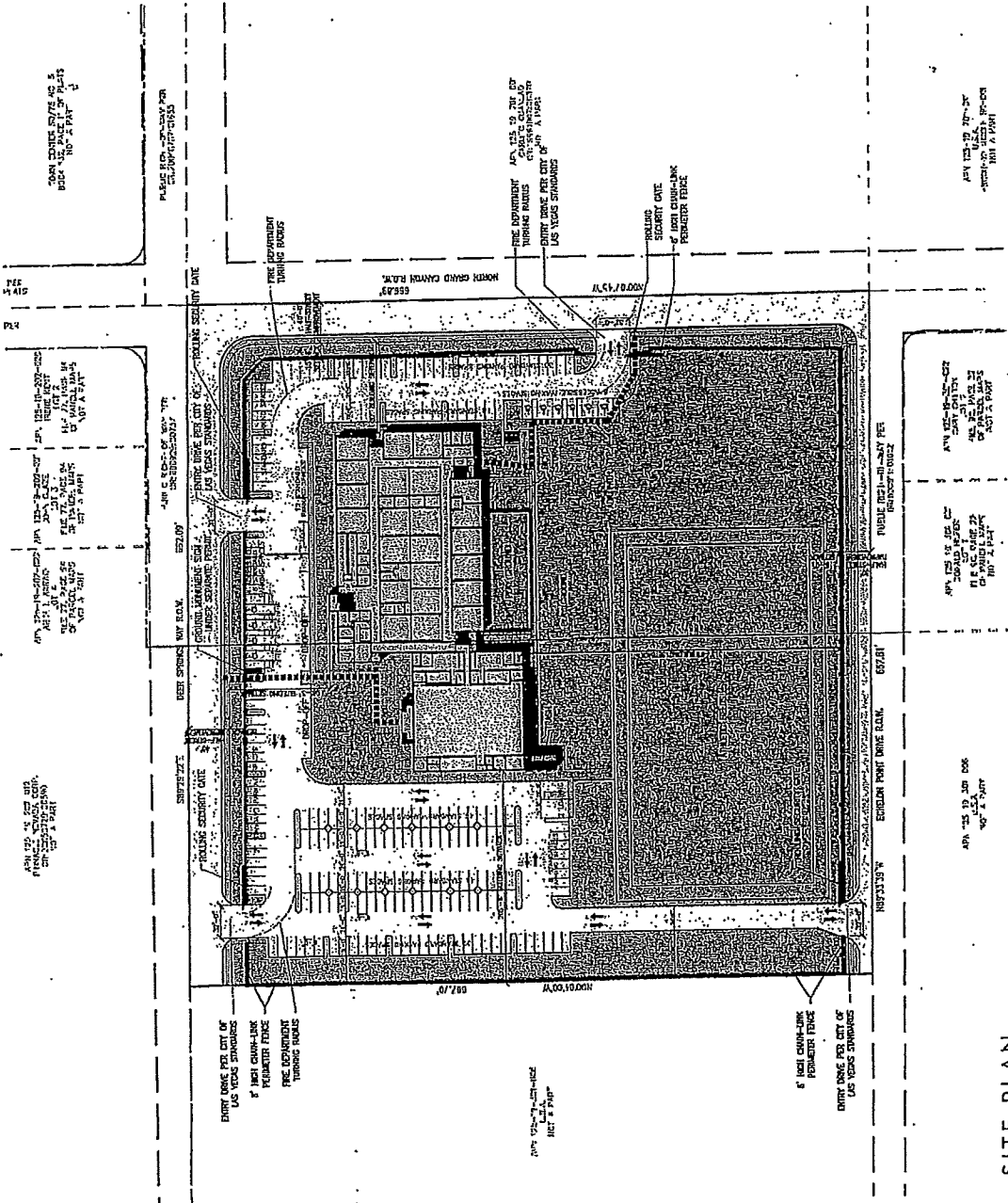


SITE DATA

APN: 125-19-301-008 & 007
 CITY OF LAS VEGAS
 ZONING: U-RNP
 LAND USE: RURAL PRESERVATION CHARTER SCHOOL / EDUCATIONAL
 EXISTING: 10.0 AC (GROSS)
 PROPOSED: 8,569 AC (NET)
 495,600 SF (GROSS)
 LOT SIZE: 71,880 SF
 BUILDING SIZE: 30,100 SF
 FIRST FLOOR CLASSROOMS: 28,900 SF
 SECOND FLOOR CLASSROOMS: 12,880 SF
 GYM AREA
 COVERAGE: P.P. % 44.4 %
 BUILDING LANDSCAPE
 PARKING: 99 (3 X 33 CLASSROOMS)
 REQUIRED: 126 (9 X 14 CLASSROOMS)
 TOTAL REQUIRED: 225
 LOADING: 2
 PROVISION: 226
 STANDARD: 10
 ACCESSIBLE: 236
 TOTAL LOADING: 2



VICINITY MAP



SITE PLAN
 30'



QUEST ACADEMY
 DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 09.10.2012 SHEET: 1 OF 6 SH PROJECT NO.: 120031



PLAN DATA
 BUILDING AREA:
 LEVEL 1 48,090 SF
 LEVEL 2 36,100 SF

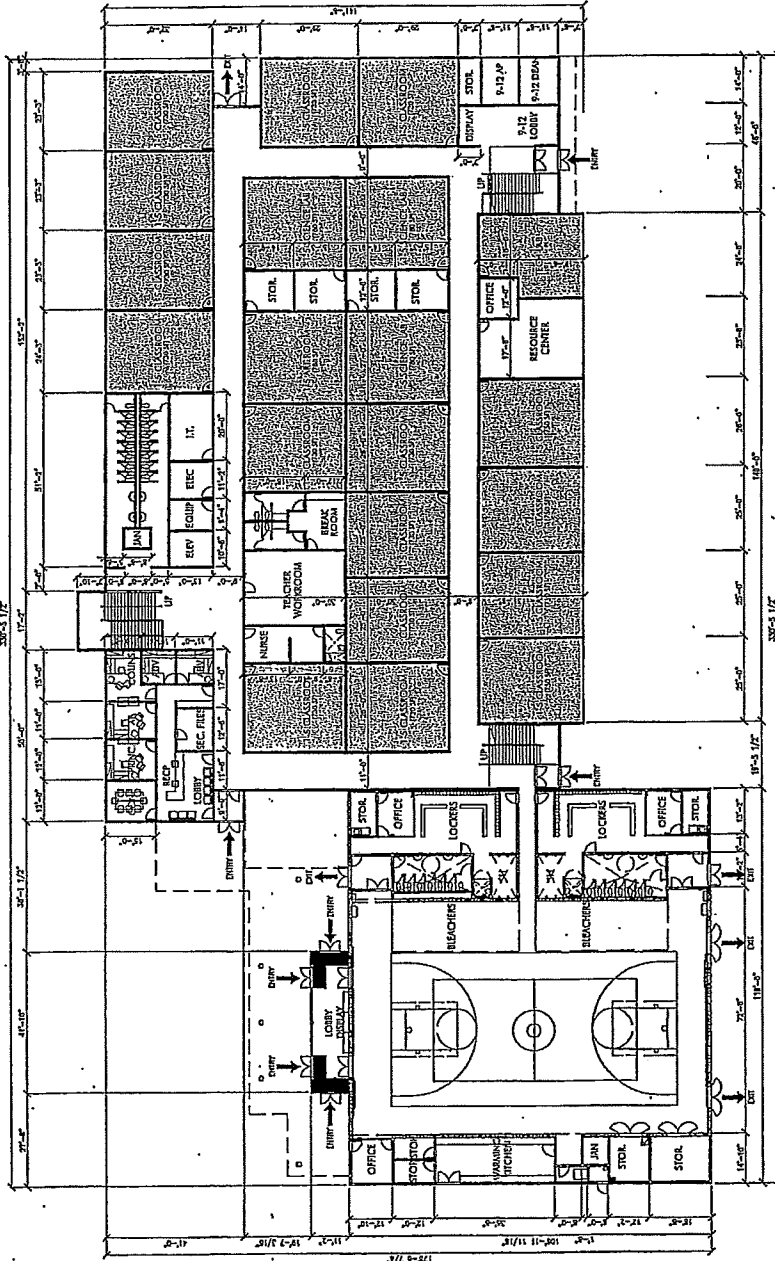
BUILDING USE:
 OCCUPANCY TYPE EDUCATIONAL (E)
 NUMBER OF STORIES: 3
 ALLOWED PROVIDED 2

ACCESSORY AREA(S)
 AREA TYPE N/A (GYMNASIUMS / CAFETERIAS / AUDITORIUMS ARE NOT COUNTED AS ACCESSORY TYPES WHEN PART OF AN EDUCATIONAL FACILITY)

MAXIMUM OCCUPANCY:
 CLASSROOM WING 1656
 GYM AREA 1028
 TOTAL 2684

LEGEND

[Pattern]	GRADES 1-5	21 CLASSROOMS
[Pattern]	GRADES 6-8	11 CLASSROOMS
[Pattern]	GRADES 9-12	14 CLASSROOMS
[Pattern]		46 TOTAL



FLOOR PLAN - LEVEL 1
 NORTH

QUEST ACADEMY
 DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 08.23.2012 SHEET: 2 OF 6 SH PROJECT NO.: 120031





PLAN DATA

BUILDING AREA:
PROVIDED:
LEVEL 1
LEVEL 2

43,000 SF
30,100 SF

BUILDING USE:
OCCUPANCY TYPE

EDUCATIONAL (E)

NUMBER OF STORIES:
ALLOWED
PROVIDED

3
2

ACCESSORY AREA(S)
AREA TYPE

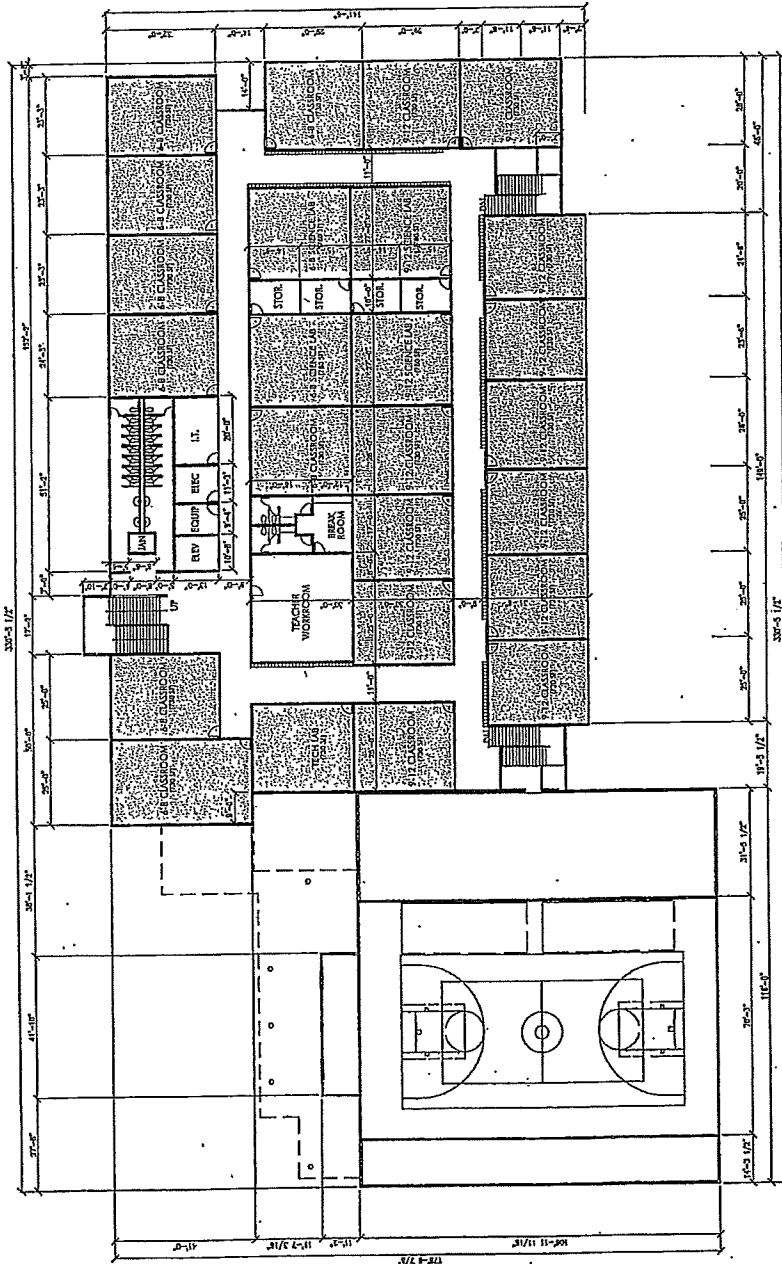
N/A (GYMNASIUMS / CAFETERIAS / AUDITORIUMS ARE NOT COUNTED AS ACCESSORY TYPES WHEN PART OF AN EDUCATIONAL FACILITY)

MAXIMUM OCCUPANCY:
CLASSROOM WING
GYM AREA
TOTAL

1654
1028
2684

LEGEND

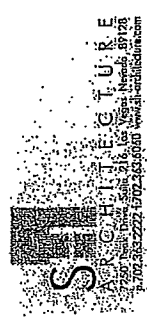
- GRADES 1-5 21 CLASSROOMS
- GRADES 6-8 11 CLASSROOMS
- GRADES 9-12 14 CLASSROOMS
- 46 TOTAL

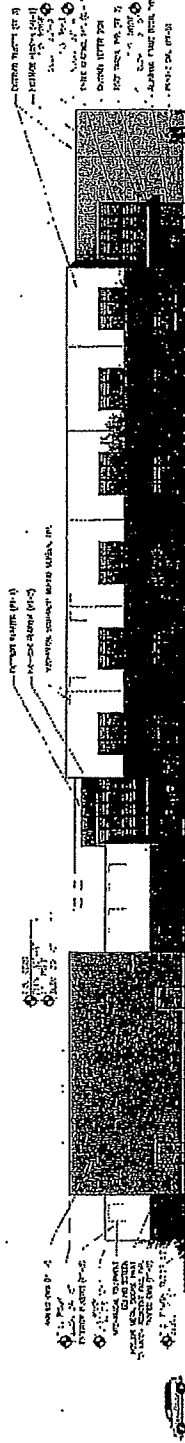


FLOOR PLAN - LEVEL 2
16'
NORTH

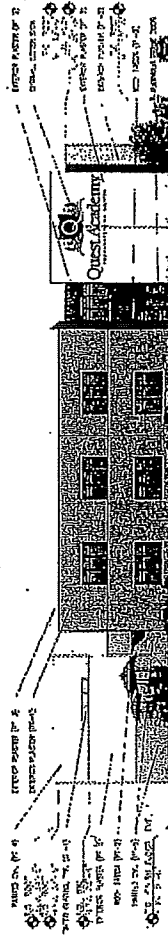
QUEST ACADEMY
DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 08.23.2012 SHEET: 3 OF 6 SH PROJECT NO.: 120031





SOUTH ELEVATION

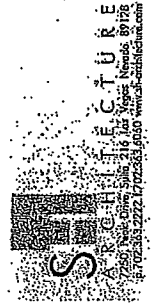


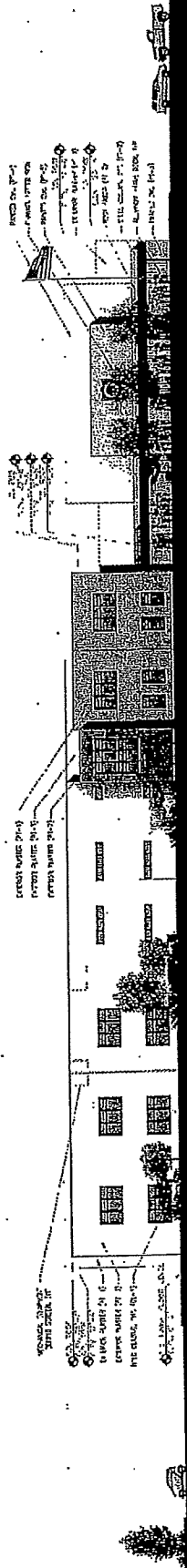
EAST ELEVATION

EXTERIOR ELEVATIONS
 16'

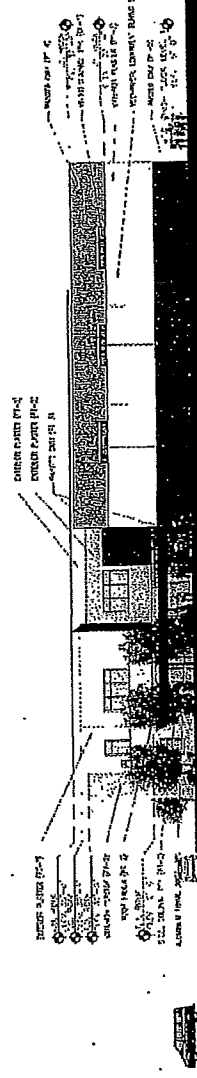
QUEST ACADEMY
 DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 08.23.2012 SHEET: 5 OF 6 SH PROJECT NO.: 120031





NORTH ELEVATION

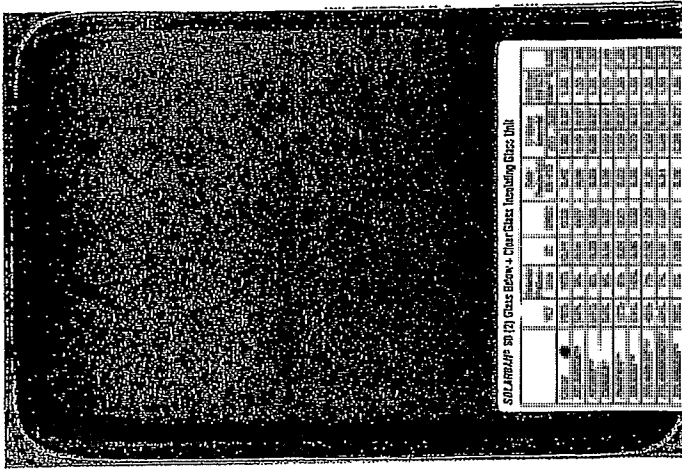


WEST ELEVATION
EXTERIOR ELEVATIONS

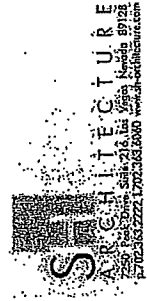
QUEST ACADEMY
DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 08.23.2012 SHEET: 6 OF 6 SH PROJECT NO.: 120031





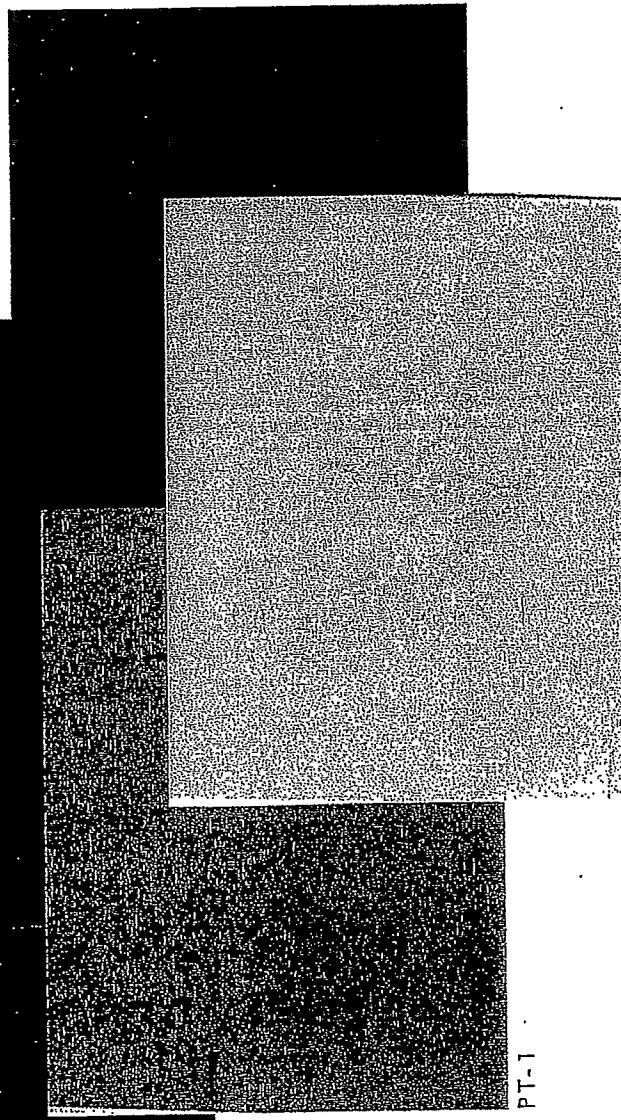
GL-1



PT-4

PT-2

PT-5



PT-1

PT-3

EXTERIOR MATERIALS

QUEST ACADEMY
DEER SPRINGS WAY & NORTH GRAND CANYON, LAS VEGAS, NV

DATE: 08.23.2012 SHEET: 7 OF 6 SH PROJECT NO.: 120031



July 20, 2012

Connie Jordan
Principal
Quest Academy LV
6610 Grand Montecito Pkwy
Las Vegas, NV 89149

Dear Connie:

Waltz Construction is extremely excited about the opportunity to work with you on the new K-12 Quest Academy in Las Vegas. From our site visit, and several discussions with Quest and Jason Klonoski, we understand the need for the new facility to be the following:

- A New 70,000 - 80,000 K-12 facility to open August 2013
- Bond financing in the range of \$12M
- Excluding land purchase financing fees and bond reserve, we anticipate the construction budget to be approximately \$9M
- Based on apparent site conditions and potential municipalities imposing additional site cost (road improvements, landscaping, signage, etc) we believe the appropriate cost per sf is in the range of \$125 - \$130 per/sf

We feel Waltz Construction is the right choice to deliver this project. We have recently completed several projects with similar scope, size and schedule. However, as shown in the timeline on the next page, to achieve the milestone dates of this project, our team needs to begin work immediately.

Sincerely,

Matthew J. Walker

Waltz Construction

449 S. 48th Street
Suite 105
Tempe, AZ 85281
Phone: 480-759-9622
Fax: 480-718-8442
www.waltzconstruction.com

Quest Academy Timeline

July 23 – Release design-build/finance team

- Site plan design
- Soils report
- Initial civil engineering
- Utility analysis
- Building floor plan development

August 2 – Pre-application conference request deadline

- Building materials selections
- HVAC and electrical systems analysis
- Civil engineering design
- Design development of exterior elevations

August 23 – Application closing date

- Design development
- Utility and interior layouts
- Roofing design
- Door schedules
- Finalization of site and interior layout

October 9 – Planning commission meeting date

- Finalization of construction documents
- Subcontractor selection
- Site mobilization
- November 7 – City Council meeting date

Quest Budget Proposal 2013-14

	Total	K-12	Total	% of Revenue
Full Count	1,200	1,200	1,200	6.254
Weighted	1,160	1,160	1,160	6.098,120
DSA	5,257	6,098,120	6,098,120	1,156,520
Outside Revenue	997	1,156,520	1,156,520	6.254
FTE per student	6.254	6.254	6.254	6.254
FTE Generated Revenue - DSA Funding	7,254,640	7,254,640	7,254,640	
Hold Harmless Revenue				
Transportation				
Title Funds				
Plus Charter School Outside Revenues				
State Mandated Reduction				
Sub-total State & Local Revenue-(DSA)	\$ 7,254,640	\$ 7,254,640	\$ 7,254,640	
Special Education	79,536	79,536	79,536	
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,334,176	\$ 7,334,176	\$ 7,334,176	
SUPPLEMENTAL FEE REVENUE	50,000	50,000	50,000	
Other School Courses & Class Fees	8,000	8,000	8,000	
Student Activities Fundraisers	55,000	55,000	55,000	
Before/After School Care Contributions	58,000	58,000	58,000	
Other Local Revenue (Interest)	10,000	10,000	10,000	
Donations	27,000	27,000	27,000	
Facility Rental Income	208,000	208,000	208,000	
Subtotal Supplemental Fee Revenue	\$ 208,000	\$ 208,000	\$ 208,000	
Grants & Initial Fees Revenue				
Federal Dissemination Grants				
Sub-total Grants & Initial Fees Revenue				
GROSS REVENUE	\$ 7,542,176	\$ 7,542,176	\$ 7,542,176	
Net School Revenue	\$ 7,542,176	\$ 7,542,176	\$ 7,542,176	
EXPENSES	3,723,161	3,723,161	3,723,161	
Salaries & Benefits	60,000	60,000	60,000	
Incentives				
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF	\$ 3,783,161	\$ 3,783,161	\$ 3,783,161	50%
OTHER SCHOOL SERVICES	100,000	100,000	100,000	
Food Service	5,000	5,000	5,000	
Transportation (Staff Travel)	1,250	1,250	1,250	
Nurse/Health Aide Supplies & Software				
SUBTOTAL OTHER SCHOOL SERVICES	\$ 106,250	\$ 106,250	\$ 106,250	1%
DIRECT EDUCATIONAL EXPENSES	150,000	150,000	150,000	
New Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	100,000	100,000	100,000	
Classroom Computers/Inst Hardware	50,000	50,000	50,000	
Elective Contract Services				

Special Ed Contract Services	150,000		
Textbooks K-12	150,000		
Textbooks Summer School K-12			
Title 1 Materials			
Classroom Supplies K-12	25,000		
Classroom Equipment	20,000		
CRT Tutoring	15,000		
Software License Agreement	25,000		
IT Consultant	55,000		
PE Consultant	50,000		
Summer School Supplies & Purchased Serv Snacks	1,000		
Media/Library Materials	2,500		
Field Trips & Awards	20,000		
Other Various Fundraising Expenses			
Assessment Materials	25,000		
Other Summer School Exps	10,500		
Athletics	100,000		
SUBTOTAL DIRECT EDUCATIONAL EXPENSES		\$ 949,000	13%
GENERAL AND ADMINISTRATIVE			
Telecommunications	22,000		
Internet Service (ISP)	15,000		
Copier Maintenance & Supplies	22,000		
Liability Insurance Premium	35,000		
D&O, Professional Insurance	15,000		
Consultants	200,000		
Independent Audit	45,000		
Security Officer			
Office Supplies	15,000		
Legal Fees	15,000		
Dues and Fees	1,500		
Postage	10,000		
Payroll Service	10,000		
Governing Board Expenditures	10,000		
Other GB - travel	5,000		
After Care - After School Clubs	800		
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		
SUBTOTAL GENERAL AND ADMINISTRATIVE		\$ 425,800	6%
FACILITY OPERATING EXPENSES			
Cafeteria Equipment	15,000		
Building Maintenance	75,000		
Landscaping	9,600		
Signage			
Janitorial Supplies	22,000		
Janitorial Services	75,000		
UTILITIES			
Electricity	89,500		
Water and Sewer	49,000		
Natural Gas	5,000		
Exterminating (Pest Control)	1,600		
Waste (Trash Removal)	15,000		
Building Monitoring System	6,000		
Miscellaneous Facility Costs	40,000		

SUBTOTAL FACILITY OPERATING EXPENSES		\$	402,700	5%
FACULTY DEVELOPMENT				
Professional Development (includes travel exp and conferences)		45,000		
Staff Development Wednesdays		4,000		
Sub-total Faculty Development		\$	49,000	1%
MARKETING & ENROLLMENT EXPENSES				
Marketing		25,000		
Recruitment Advertising		1,500		
School Orientation		5,000		
Sub-total Marketing & Enrollment Exp		31,500		0%
State Sponsor Fee -1.5%		108,820		-1%
Tenant Improvements/Warranty		-		
Facility/Real Estate		-		
Base Rent/Lease (\$87,000)		1,044,000		
Property Taxes		Exempt		
TOTAL FACILITY EXPENSES				
Total Operating Expenses		6,900,231		91%
3% Contingency of Expenses Reserve		207,007		
Building Fund 2% of Expenses Reserve		138,005		
TOTAL EXPENSES WITH RESERVES		7,245,242		
		345,012		5%
Net School Revenue				
		\$	7,542,176	
			7,542,176	
Net Surplus Before Reserves				
		641,945		9%
		641,945		
Net Surplus After Reserves				
		\$	296,934	4%
			296,934	

Bldg Reserve Pmt 208,800
 Projected Bldg Reserve FY End 2012-13 279,954
 Projected Bldg Reserve FY End 2013-14 417,959

FIVE YEAR CAPITAL IMPROVEMENT PLAN
 Minimum level of expenditures for items classified as capital assets
 Minimum level of expenditures for items classified as capital projects

(Per NRS 354.5945)
 \$5,000
 \$25,000

Entity: Quest Academy Preparatory Education
 Due Date: February 1, 2011

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015
Fund:	General				
Capital Improvement: (description of item)	High School Expansion - TI's 7 Classrooms	100,000			
Funding Source:	Building Reserve	BR - General Rev			
Completion Date:	Aug-12				
Fund Total	\$ -	\$ 100,000	\$ -	\$ -	\$ -

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015
Fund:	General				
Capital Improvement: (description of item)	Kindergarten - TI's 4 classrooms	140,000	24,000	24,000	24,000
Funding Source:	Medium Term Financing-General Rev.	MTF - General Rev	MTF - General Rev	MTF - General Rev	MTF - General Rev
Completion Date:	Aug-12				
Fund Total	\$ -	\$ 140,000	\$ 24,000	\$ 24,000	\$ 24,000

	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015
Fund:	General				
Capital Improvement: (description of item)	K-12 Re-Location		150,000		
Funding Source:	Contingency & Building Reserve, General		C BR - General Rev		
Completion Date:	Aug-13				
Fund Total	\$ -	\$ -	\$ 150,000	\$ -	\$ -

List of Funding Sources:
 General Revenues

**ATTACHMENT
H**

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

This Agreement of Purchase and Sale and Joint Escrow Instructions ("Agreement") is made and entered into as of the Effective Date (as defined below) by and between VIZA REAL ESTATE HOLDINGSLLC, a Nevada limited liability company (the "Seller"), and QUEST ACADEMY _____, a _____ [*need to insert entity legal name and type*] (together with any permitted assignee hereunder, the "Buyer"). Seller and Buyer may hereinafter be referred to individually as "Party" and collectively as "Parties."

RECITALS

A. Seller is the owner of an approximate 0.48 acre tract of real property located at 7550 W. Alexander Road, North Las Vegas, Clark County, Nevada commonly referred to as APN 138-10-101-002, as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Real Property"), consisting of (1) a building containing approximately 3,252 square feet of space along with related amenities, together with all improvements and fixtures located thereon; and (2) all easements, hereditaments and appurtenances related thereto (collectively, the "Property").

B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property upon the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Definitions. For the purposes of this Agreement the following terms will be defined as follows:

"Buyer's Broker" means Sun Commercial Real Estate, 8936 Spanish Ridge Avenue, Las Vegas, NV 89148, Attn: Cathy Jones, Phone: (702) 968-7300, Email: _____.

"Buyer's Title Policy" shall have the meaning set forth in Section 8.2 below.

"Closing" or "Close of Escrow" means the consummation of the purchase and sale transaction contemplated under this Agreement for the Property, as evidenced by the recording of the Deed for the Property in the Official Records of Clark County, Nevada.

"Closing Date" means the date which is forty-five (45) calendar days from expiration of the Due Diligence Period, or on such earlier date as otherwise mutually agreed upon by Buyer and Seller. Notwithstanding the foregoing, if the Closing Date falls on a Saturday, Sunday, or other legal holiday, then the Closing Date shall be automatically extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

"Deed" shall have the meaning set forth in Section 6.1(a) below.

"Deposit" means the sum of Fifteen Thousand Dollars (\$15,000.00).

"Due Diligence Period" means the period of time beginning on the Opening of Escrow and ending on that date that is thirty (30) calendar days thereafter.

"Effective Date" means the date on which the last Party signs this Agreement.

"Escrow" shall have the meaning set forth in Section 4.1 below.

"Escrow Holder" means Nevada Title Company, 2500 North Buffalo Drive, Suite 150 Las Vegas, NV 89128, Attn: Joy Hearn, Phone: (702) 251-5326, Fax: (702) 938-1969, Email: Jhearn@nevadatitle.com.

"Environmental Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq., any so called "Super fund" or "Super Lien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards or conduct concerning, any hazardous, toxic, or dangerous waste, substance or material or underground storage tanks, now in effect.

"Hazardous Substance" means asbestos, petroleum products and by-products, any other hazardous or toxic building material, and any hazardous, toxic, or dangerous waste, substance or material defined as such in or for the purpose of any of the Environmental Laws.

"Notices" shall be sent as follows:

Seller: Viza Real Estate Holdings LLC

Fax: _____
Phone: _____
Email: _____

Buyer: c/o Quest Academy Preparatory Education
6610 Grand Montecito Pkwy.
Las Vegas 89149
Attn: Connie Jordan, Principal
Fax: (702) 631-4751
Phone: (702) 586-0836
Email: c.jordan@questacademylv.com

And to: Rice Silbey Reuther & Sullivan, LLP
3960 Howard Hughes Parkway, Suite 700
Las Vegas, Nevada 89169
Attn: Renee R. Reuther
Fax: (702) 732-7110
Phone: (702) 697-6106
Email: rreuther@rsrslaw.com

"Opening of Escrow" shall have the meaning set forth in Section 4.1 below.

"Permitted Exceptions" shall have the meaning set forth in Section 8.1 below.

"Property" shall have the meaning set forth in the Recitals.

"Purchase Price" means Three Hundred Sixty Thousand Dollars (\$360,000.00).

"Real Property" shall have the meaning set forth in the Recitals.

"Seller's Broker" means Grubb & Ellis Las Vegas, _____, Las Vegas, NV ____, Attn: Chris Godino, Phone: (702) _____, Email: _____.

"Title Company" means either (a) the title division of Escrow Holder, if Escrow Holder issues the Title Report, or (b) such other title insurance company for which Escrow Holder is an agent for the issuance of title insurance.

"Title Report" shall have the meaning set forth in Section 8.1 below.

2. Purchase and Sale. Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the Property, together with all easements, hereditaments and appurtenances thereto.

3. Purchase Price. The Purchase Price for the Property will be paid as follows:

3.1. Initial Deposit. Within three (3) business days following the Opening of Escrow, Buyer will deliver the Deposit to Escrow Holder. Except as expressly provided otherwise, the Deposit shall become non-refundable upon the expiration of the Due Diligence Period, unless: (i) Buyer terminates this Agreement on or before the expiration of the Due Diligence Period; or (ii) Buyer terminates this Agreement based on a default by Seller or the failure of any conditions precedent to Buyer's obligations pursuant to Section 9.

3.2. Cash Balance. Before the Closing in accordance with Section 6.2 below, Buyer shall deposit into Escrow cash or certified funds equal to the Purchase Price less the Deposit.

4. Escrow.

4.1. Opening of Escrow. Within one (1) business day after the Effective Date, Buyer shall open an escrow (the "Escrow") with Escrow Holder by delivering to Escrow Holder a fully executed copy of this Agreement (the "Opening of Escrow"). Upon its receipt of the foregoing, Escrow Holder shall sign a copy of this Agreement where noted below and deliver a copy to Seller and Buyer confirming the Opening of Escrow. The purchase and sale of the Property will be completed through the Escrow. Buyer and Seller agree to execute any additional instructions reasonably required by the Escrow Holder. If there is a conflict between any printed escrow instructions and this Agreement, the terms of this Agreement will govern.

4.2. Cancellation of Escrow. In the event that the Closing does not occur at the time and in the manner provided in this Agreement because of the default of one of the parties, the non-defaulting party has the right to cancel the Escrow by written notice to the defaulting party and to the Escrow Holder. The defaulting party shall pay all costs of cancellation. If the Closing does not take place for any reason other than a default by one of the parties, the parties shall each pay one-half of the Escrow fees and the parties shall be released from any and all obligations (except for those which survive the Closing or any expiration or termination of this Agreement) under this Agreement.

5. Due Diligence. Buyer shall, subject to the provisions of this Section 5, have until the expiration of the Due Diligence Period to review, in Buyer's sole discretion the condition and suitability of the Property for Buyer's intended use, including but not limited to financial, zoning and market feasibility, condition of title, and the physical condition of the Property.

5.1. Engineering and Feasibility Study. During the Due Diligence Period, Buyer, at its expense, may conduct engineering, environmental and feasibility studies of the Property (including, without limitation, traffic, utilities, drainage, geotechnical, soils, environmental, architectural, historical, marketing, engineering, and financial investigations, tests, and studies) to determine whether or not the Property is suitable to Buyer in Buyer's sole and absolute discretion. Buyer and Buyer's employees and agents shall have the right of access to the Property from and after the Effective Date and prior to Closing for the purpose of conducting such investigations and inspections, and Buyer shall have the right to conduct tests of the soils and obtain core samples. Buyer agrees to indemnify, protect, defend (with counsel reasonably satisfactory to Seller) and hold Seller harmless from and against any and all loss, expense, claim, damage and injury to person or property resulting directly from the acts of Buyer, Buyer's agents, contractors, subcontractors and/or the contractors or subcontractors of such agents on the Property in connection with the performance of any investigation or other activities upon the Property contemplated herein. Buyer agrees to pay promptly all costs associated with its inspection of the Property and to not permit any lien or encumbrance to be asserted against the Property. Buyer shall, at its expense, restore any damage to the Property directly caused by the conduct of any such inspection.

5.2. Seller Materials. If in Seller's reasonable possession or control, Seller shall, within three (3) business days after the Effective Date, provide access to or copies of all documents and information regarding (i) the soils and geological condition of the Property, including, without limitation, all engineering and soil tests and reports, hydrology studies, and hydraulic analyses; (ii) the availability and status of utilities, including, without limitation, water or other utility contracts or will-serve letters; (iii) preliminary plans or maps, including, without limitation, all permits, zoning approvals, minutes of hearings, correspondence, instructions, improvement agreements, conditions of approval; (iv) environmental issues (including, without limitation, any Phase I assessments, bird letters, bug letters or cave letters); (v) any prior land or title surveys, topographical surveys, and tree surveys; and (vi) other issues related to the Property which would affect Buyer's ability to build and sell homes on the Property. Seller agrees to execute any and all documents that might be required in order to obtain any governmental authorization or consent with respect to the above described matters.

5.3. Notice of Disapproval. Buyer shall notify Seller and Escrow Holder in writing of its approval or disapproval of the condition of the Property by the end of the Due Diligence Period. If Buyer fails to advise Seller in writing of its disapproval on or before the expiration of the Due Diligence Period, Buyer will be deemed to have accepted the condition of the Property. If Buyer disapproves the condition of the Property for any reason, in its sole and absolute discretion, on or before the expiration of the Due Diligence Period, Buyer shall have the right to terminate this Agreement and the Deposit shall be returned to Buyer, at which time the parties shall have no further obligations (except those that survive Closing) under this Agreement.

6. Deliveries to Escrow Holder.

6.1. By Seller. One (1) business day prior to the Closing Date, Seller will deliver or cause to be delivered to Escrow Holder or perform (as applicable) the following items:

(a) A Grant, Bargain, Sale Deed (the "Deed"), duly executed and acknowledged by Seller and in the form attached hereto as Exhibit "B", conveying the Real Property to Buyer;

(b) A Declaration of Value, signed by or on behalf of Seller;

(c) Cooperate with Buyer to cause the Title Company to issue the Buyer's Title Policy;

(d) An Assignment duly executed by Seller and substantially in the form attached hereto as Exhibit "C." assigning to Buyer any and all of Seller's rights, to the extent possible, as to or against any contractor, subcontractor, professional or other person or entity which performed any services or work of improvement on or for the Property, including without limitation, any warranties or other contractual rights or claims;

(e) A Transferor's Certificate of Non-Foreign Status properly executed by Seller;

(f) A duly executed 1099 Designation for the purposes of complying with Section 6045 of the Internal Revenue Code; and

(g) Such other documents or instruments reasonably requested by Buyer or Escrow Holder to consummate the transactions contemplated under this Agreement.

6.2. By Buyer. One (1) business day prior to the Closing Date, Buyer will deliver or cause to be delivered to Escrow Holder the following items:

(a) Cash or immediately available federal funds in an amount equal to the balance due on the Purchase Price plus Buyer's share of closing costs and pro-rations hereunder;

(b) A Declaration of Value, signed by or on behalf of Buyer; and

(c) Such other documents or instruments reasonably requested by Seller or Escrow Holder to consummate the transactions contemplated under this Agreement.

6.3. Reporting. Seller and Buyer hereby designate the Escrow Holder as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.

7. AS-IS. BUYER ACKNOWLEDGES TO AND AGREES WITH SELLER THAT BUYER IS PURCHASING THE PROPERTY IN AN "AS IS" CONDITION "WITH ALL FAULTS" AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE OR TYPE WHATSOEVER FROM OR ON BEHALF OF SELLER OTHER THAN THOSE EXPRESSLY STATED IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS SECTION 7 SHALL EXPRESSLY SURVIVE THE CLOSING OR ANY EXPIRATION OR TERMINATION OF THIS AGREEMENT.

8. Buyer's Title Policy.

8.1. Title Review. Seller shall, at its expense, provide Buyer access to or copies of a preliminary title report, or depending on Title Company's customary practices, a title commitment for the Real Property, together with copies of all exceptions to title referred to therein ("Title Report") within three (3) business days after Effective Date. Within thirty (30) calendar days of receipt of: (i) the Title Report and all documents referred to in it, or (ii) any supplemental or amendatory report and the documents referred to as exceptions thereto, Buyer shall give Seller notice specifying those matters which

are not acceptable conditions of title. All exceptions in the Title Report not specifically disapproved by Buyer within thirty (30) calendar days after receipt of the initial submittal, shall be deemed to have been approved. In the event of timely notification to Seller of objections by Buyer, within fifteen (15) calendar days after Seller's receipt of such notice from Buyer, Seller shall notify Buyer whether Seller is able and agrees to remove such objectionable items from title on or before Closing. If Seller fails to notify Buyer or does not agree to remove (or cause the same to be removed prior to, or at, Closing) such objectionable items within such fifteen (15) calendar day period, then Buyer shall have the election to be exercised in writing prior to the expiration of the Due Diligence Period of either:

(a) Terminating this Agreement, in which event Escrow Holder shall return the Deposit and all other funds and documents deposited herein to the party depositing the same; or

(b) Accepting the Property subject to the objectionable items.

If Buyer fails to make the election to terminate or accept title prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have elected to accept the Property subject to the objectionable items.

The title matters that Buyer elects to accept or is deemed to have elected to accept under this Section 8.1 and under Section 8.3 hereunder shall constitute "Permitted Exceptions". Notwithstanding the foregoing, the Permitted Exceptions shall include: (i) a lien for real property taxes and assessments not then delinquent; (ii) installments of the special assessment district lien for Clark County Special Improvement District No. 132 not yet delinquent; (iii) matters of title respecting the Property approved by Buyer in accordance with the provisions of this Section 8.1; and (iv) matters affecting the condition of title to the Property created by or with the written consent of Buyer. Seller shall not be deemed to be in default by virtue of Seller's inability or unwillingness to remove or satisfy any title and/or survey matters objected to by Buyer.

8.2. Title Policy. At Closing, the Title Company shall issue or be committed to issue, an ALTA Owners Policy in the amount of the Purchase Price, insuring fee simple, good and indefeasible title to the Property and right of access thereto in Buyer, containing no exceptions other than the Permitted Encumbrances and any other reasonable terms, conditions and provisions as may be required by the Title Company in connection with such Buyer's Title Policy ("Buyer's Title Policy"). Buyer shall be responsible for the payment of all premiums and other costs incurred beyond a standard "CLTA" policy of title insurance, including, without limitation, the costs of any endorsements and/or additional coverage as Buyer may desire. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any survey(s) required by the Title Company in accordance with the provisions of Section 8.3 below. It shall be a condition to Buyer's obligation to consummate the transaction contemplated by this Agreement that Buyer shall receive the Buyer's Title Policy or the Title Company shall commit to issue the Buyer's Title Policy at the Closing subject to any reasonable terms, conditions and provisions as may be requested by the Title Company in connection with such Buyer's Title Policy. If such condition is not satisfied, Buyer shall have the right to terminate this Agreement by written notice to Seller and Escrow Holder.

8.3. Survey. If Buyer shall require an ALTA Survey of the Property (either for its own use or for use by a third party, including the Title Company for purposes of issuing Buyer's Title Policy), Buyer (at its sole cost) shall obtain and examine such survey (the "Survey") within sixty (60) calendar days from the Effective Date (that is, within the first sixty days of the Due Diligence Period) (the "Survey Review Period"). Buyer have fifteen (15) calendar days from the last day of the Survey Review Period to notify Seller in writing of any objection to matters disclosed by the Survey. Upon the expiration of the Survey Review Period, Buyer shall be deemed to have accepted all matters shown on the Survey, except for matters for which notification permitted herein has been given by Buyer. In the event of timely notification to Seller of objections by Buyer, Seller shall notify Buyer within ten (10) calendar days after receipt of such notice of objections as to whether Seller is able and agrees to remove such objectionable items on or before the Closing. If Seller fails to notify Buyer or does not agree to remove (or cause the same to be removed prior to, or at, Closing) such objectionable items within such ten (10) calendar day period, then Buyer shall have the election to be exercised in writing prior to the expiration of the Due Diligence Period of either:

(a) Terminating this Agreement, in which event Escrow Holder shall return the Deposit and all other funds and documents deposited herein to the party depositing the same; or

(b) Accepting the Property subject to the objectionable items.

If Buyer fails to make the election to terminate or accept title subject to the objectionable Survey items prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have elected to accept the Property subject to the objectionable items. Any exceptions shown on the Survey accepted by Buyer or not timely objected to as aforesaid shall be hereafter be deemed to be included within the defined term "Permitted Exceptions" under Section 8.1 hereof.

9. Conditions Precedent to Buyer's Obligations. The following conditions must be satisfied not later than the Closing Date:

9.1. Representations, Warranties and Covenants of Seller. Seller will have duly performed each and every covenant to be performed by Seller hereunder and Seller's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date.

9.2. Seller's Deliveries. Seller will have delivered the items described in Section 6.1.

9.3. Title Insurance. As of the Close of Escrow, the Title Company will issue or have committed to issue the Buyer's Title Policy to Buyer subject only to the Permitted Exceptions.

9.4. Board Approval. Notwithstanding anything else to the contrary herein stated, Buyer's obligations under this Agreement are contingent upon the approval of its governing body ("Board Approval"). Such approval shall be evidenced, if at all, by written notice to Seller given before the expiration of the Due Diligence Period ("Board Approval Notice"). If Buyer fails for any reason to obtain its Board Approval or give the Board Approval Notice prior to the expiration of the Due Diligence Period, then this Agreement shall automatically terminate. Upon such termination, the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations under this Agreement.

The conditions set forth in this Section are solely for the benefit of Buyer and may be waived only by Buyer. At all times Buyer has the right to waive any condition. Such waiver or waivers must be in writing to Seller. If any of the conditions are not satisfied on or before the Closing Date and Buyer has not waived the unsatisfied conditions, Seller will be deemed to be in default and Buyer shall have the right to exercise its remedies pursuant to Section 19.1.

10. Conditions Precedent to Seller's Obligations. The following conditions must be satisfied not later than the Closing Date or such other period of time as may be specified below:

10.1. Representations, Warranties and Covenants of Buyer. Buyer will have duly performed each and every covenant to be performed by Buyer hereunder and Buyer's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date.

10.2. Buyer's Deliveries. Buyer will have delivered the items described in Section 6.2.

The conditions set forth in this Section are solely for the benefit of Seller and may be waived only by Seller. At all times Seller has the right to waive any condition. Such waiver or waivers must be in writing to Buyer. If either condition is not satisfied on or before the Closing Date and Seller has not waived the unsatisfied conditions, Buyer will be deemed to be in default and Seller's shall have the right to terminate this Agreement and keep the Deposit pursuant to Section 19.2.

11. Costs and Expenses.

11.1. Seller. Seller will pay: (a) one half (1/2) of the fees to record the Deed; (b) the real property transfer taxes; (c) one half (1/2) of the escrow fees and costs; (d) the cost of the standard coverage portion of the Buyer's Title Policy (without any endorsements or extended coverage); (e) the commission due to the Brokers in accordance with Section 18; and (f) Seller's share of prorations in accordance with Section 12.

11.2. Buyer. Buyer will pay: (a) one half (1/2) of the fees to record the Deed; (b) one half (1/2) of the escrow fees and costs; (c) all costs for any extended coverage under the Buyer's Title Policy; and (d) all costs of any title endorsements to the Buyer's Title Policy requested by Buyer; and (e) Buyer's share of prorations in accordance with Section 12.

11.3. Additional Costs. Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other costs and expenses will be allocated between Buyer and Seller in accordance with the customary practice in Clark County.

12. Prorations.

12.1. General. All non-delinquent real estate taxes and assessments, amounts payable as assessments pursuant to any recorded declaration of restrictions, covenants and easements of record, and the like, will be prorated on an accrual basis as of the Close of Escrow, based upon the actual number of days in the month the transfer occurs and the most current statement available to Escrow Holder. Such proration shall be made as of 12:01 a.m. Pacific time on the Closing Date (the "Proration Time"). All monthly prorations shall be calculated on actual days of the applicable month and all annual prorations shall be calculated based on a 365-day year. Not less than five (5) business days prior to the date on which the Close of Escrow shall occur, upon written request of Seller or Escrow Holder, Seller and Buyer shall agree upon a schedule of expenses and prorations ("Proration and Expense Schedule"), and Seller and Buyer shall cooperate to update promptly such Proration and Expense Schedule to the extent the anticipated date on which the Close of Escrow under this Agreement shall occur changes. If any prorations, apportionments or computations cannot be made under this Section 12 because the necessary information is unavailable at the Proration Time, then the most recent information available shall be used by the parties in making such Prorations. Any event which cannot be ascertained with certainty as of Closing shall be prorated as set forth above, but shall be the subject of a final proration between Seller and Buyer as soon as precise amounts can be ascertained, but in no event later than ninety (90) days after Closing.

12.2. Utilities. Buyer acknowledges that Seller may cause to be shut off all utilities with respect to the Property effective as of the Close of Escrow. Any charges, fees, assessments or other amounts relating to utilities with respect to the Property, including, without limitation, those for sewer, electricity, water and gas (the "Utility Charges") shall not be prorated hereunder as part of the Closing. Buyer shall be responsible to have the applicable utility companies switch service into Buyer's name at the Closing and shall be solely responsible to pay all Utility Charges owing in connection with the Property from and after the Closing; provided that Seller agrees to cooperate reasonably with Buyer's efforts to achieve an orderly transition from Seller's ownership to Buyer's ownership of the Property. Nothing herein shall limit Seller's liability directly to any utility company for any charges or fees which may be owing and are applicable to the period prior to the Closing, provided that in no event shall Seller have any liability to Buyer in connection with any Utility Charges that may be applicable to periods prior to the Closing. Seller shall have the right, but not the obligation, to instruct any utility company that Seller no longer owns the Property

13. Disbursements and Other Actions by Escrow Holder. At the Close of Escrow, Escrow Holder will promptly undertake all of the following:

13.1. Funds. Disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price; deduct or credit all items chargeable to the account of Seller and/or Buyer pursuant to Section 11 and Section 12; disburse the balance of the Purchase Price to Seller; and disburse the remaining balance of the funds, if any, to Buyer.

13.2. Recording. Cause the Deed to be recorded in the Official Records of Clark County, Nevada; and obtain conformed copies thereof for distribution to Buyer and Seller.

13.3. Title Policy. Direct the Title Company to issue the Buyer's Title Policy to Buyer.

13.4. Disbursement of Documents to Buyer. Deliver to Buyer any documents deposited into Escrow by Seller pursuant hereto.

14. Joint Representations, Warranties, and Covenants. In addition to any express agreements of the parties contained herein, the following constitute representations and warranties of the parties each to the other:

14.1. Each party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate this transaction.

14.2. All requisite action (corporate, trust, partnership or otherwise) has been taken by each party in connection with this Agreement, the instruments referenced herein, and the consummation of this transaction. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.

14.3. This Agreement and all other documents required to close this transaction are and will be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

15. Seller's Representations, Warranties, and Covenants. In addition to the representations and warranties of Seller set forth in Section 14 above, Seller hereby represents, warrants and covenants to Buyer:

15.1. During Seller's ownership of the Property, Seller has not used, generated, processed, stored, disposed of, released or discharged any Hazardous Substance on, under, or about the Property in violation of any Environmental Laws.

15.2. To Seller's knowledge, there is no pending or threatened action, condemnation or similar proceeding nor has Seller received any notice of any special assessment affecting the Property, or any part thereof.

15.3. To Seller's knowledge, Seller has not received any notices from any governmental authorities having jurisdiction over the Property regarding any violations of any applicable laws or regulations affecting the Property.

16. Condemnation and Destruction.

16.1. Eminent Domain or Taking. If prior to the date of Closing all or any part of the Property shall be taken by any governmental authority under its power of eminent domain, Buyer may: (a) elect to proceed with the transaction, in which event the Buyer shall be entitled to all payments payable to Seller on account of such taking, or (b) elect to rescind this Agreement in which event all parties hereto shall be released from all liability hereunder and the Deposit shall be returned to Buyer. If Buyer elects to rescind this Agreement, it shall so notify Seller in writing within ten (10) days after Buyer has written notice from Seller of such taking. Failure by Buyer to so notify Seller shall constitute an election to proceed with the transaction, and Buyer shall be entitled to all payments on account of such taking. If Buyer elects not to rescind, prior to closing Buyer and Seller shall jointly have the right to defend at such proceeding and/or negotiate a settlement of such award and/or compensation, and Seller shall at closing assign to Buyer all of its right, title and interest in and to any award and/or compensation due it as a result of such eminent domain or condemnation. Seller represents that it has no knowledge of any threatened taking which would affect, involve or be adverse to the Property.

16.2. Damage or Destruction. If, prior to the Close of Escrow, any part of the Property is damaged or destroyed by earthquake, flood, landslide, fire or other casualty, Seller will promptly inform Buyer of such fact in writing and advise Buyer as to the extent of the damage, and Buyer shall have the right, at its option, to: (a) terminate this Agreement, whereupon the Deposit shall be returned to Buyer; or (b) proceed with Closing, in which event Seller shall assign, transfer and set over to Buyer all of Seller's rights, title and interest in and to any insurance proceeds that have been made, or will be made, as a result of such damage or destruction.

17. Notices. Any and all notices, demands, approvals, consents and waivers by any party hereto to any other party required or desired to be delivered hereunder shall be in writing and shall be validly delivered or made only if addressed set forth in Section 1 and deposited in the United States mail, certified or registered, postage prepaid, return receipt requested or if made by Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries or if sent by facsimile. Service by United States Mail or by Federal Express or other similar delivery service shall be conclusively deemed made on the first business day delivery is attempted or upon receipt, whichever is sooner. Service by facsimile shall be deemed made upon confirmed transmission if confirmed during normal business hours in Las Vegas, Nevada, otherwise on the next business day. Telephone numbers and email addresses are provided herein for convenience only, and are not deemed to be an acceptable method for delivery of notices, unless otherwise specifically set forth in this Agreement. The Parties may change their address for the purpose of receiving notices, demands, approvals, consents and waivers as herein provided by a written notice delivered in the manner aforesaid to the others, which notice of change of address shall not become effective, however, until the actual receipt thereof by the others.

18. Real Estate Commissions. Seller's Broker has acted as Seller's agent in this transaction and Buyer's Broker has acted as Buyer's agent in this transaction. Seller shall be responsible for payment of all compensation due to Seller's Broker pursuant to separate agreements between Seller and Seller's Broker, and additionally Seller shall pay a commission of 3% of the Purchase Price to Buyer's Broker, if and when Closing occurs. Except for Seller's Broker and Buyer's Broker, each party represents and warrants to the other party that no broker or finder has been engaged by them, respectively, in connection with any of the transactions contemplated by this Agreement. Buyer and Seller will indemnify, save harmless and defend the other from any liability, cost or expense arising out of or connected with any claim for any commission or compensation made by any person or entity claiming to have been retained or contacted by them in connection with this transaction. Nothing in this Section (or in any other provision of this Agreement) is intended to create in Seller's Broker (or in any other person or entity) any right as a third party beneficiary of this Agreement; specifically, neither Seller's Broker nor any other person or entity has any right (a) to cause or compel either Buyer or Seller to perform any obligation, exercise any right or forebear from exercising any right either may have pursuant to this Agreement, including, but not limited to, any right to terminate this Agreement; or (b) to preclude Buyer and Seller from entering into any amendment of this Agreement or other agreement pertaining to this Agreement. Notwithstanding anything to the contrary contained herein, this Section shall survive the Closing or any expiration or termination of this Agreement.

19. Legal and Equitable Enforcement of this Agreement.

19.1. Default by Seller. In the event the Close of Escrow and the consummation of the transaction contemplated by this Agreement does not occur by reason of a default by Seller, Buyer shall be entitled, as its sole and exclusive remedy, to either:

(a) terminate this Agreement (other than those provisions which by their terms survive termination) by delivering written notice to Seller which includes a waiver of any right, title or interest of Buyer in the Property and obtain the return of the Deposit, as Buyer's sole and exclusive remedy to the exclusion of (b) immediately below; or

(b) treat this Agreement as being in full force and effect and pursue the specific performance of this Agreement but only if Buyer files and serves its action for specific performance within thirty (30) days after the date of Seller's default hereunder and simultaneously tenders the full Purchase Price to Escrow, as Buyer's sole and exclusive remedy to the exclusion of (a) immediately above.

BUYER WAIVES ANY RIGHT TO PURSUE ANY OTHER REMEDY AT LAW OR IN EQUITY FOR SUCH DEFAULT OF SELLER, INCLUDING WITHOUT LIMITATION ANY RIGHT TO SEEK, CLAIM OR OBTAIN ANY DAMAGES, PUNITIVE DAMAGES OR CONSEQUENTIAL DAMAGES.

Buyer's Initials _____

Seller's Initials _____

19.2. Default by Buyer. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DOES NOT OCCUR AS HEREIN PROVIDED BY REASON OF A DEFAULT BY BUYER, BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES THAT SELLER MAY SUFFER. THEREFORE BUYER AND SELLER AGREE THAT A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT THAT BUYER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AND SHALL BE, AS SELLER'S EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY), AN AMOUNT EQUAL TO THE DEPOSIT (WHICH INCLUDES ANY ACCRUED

INTEREST THEREON). SAID AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER. UPON DEFAULT BY BUYER, THIS AGREEMENT SHALL BE TERMINATED, AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EXCEPT FOR THE RIGHT OF SELLER TO COLLECT OR RETAIN SUCH LIQUIDATED DAMAGES FROM BUYER. SELLER EXPRESSLY WAIVES ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES.

Buyer's Initials _____

Seller's Initials _____

20. Assignment. Buyer shall not have the right to sell, assign, or transfer this Agreement without the prior approval of Seller, which approval shall not be unreasonably withheld. In the event that Buyer is permitted to assign its rights or obligations hereunder, that assignee, its successors, heirs, or assigns, shall be required to assume all obligations of Buyer and shall be required to execute all documents and perform all obligations imposed on Buyer as if the assignee were the original Buyer in this Agreement. Buyer shall remain responsible for all duties and obligations required of it for the performance of the covenants, warranties, indemnities, and conditions on the part of Buyer contained herein and in no event shall Buyer be relieved of liability under this Agreement upon any assignment unless Seller expressly agrees in writing to such release.

21. Buyer Contract Requirements.

21.1. Seller acknowledges that (a) Buyer has no authority to extend the faith and credit of the Nevada State Board of Education ("State Board"), the State of Nevada or the Nevada Department of Education ("Department") to any person or entity; and (b) Buyer's obligations under this Agreement will be solely the obligations of Buyer and are not the responsibility of the State of Nevada, the State Board or the Department.

21.2. Seller acknowledges that this Agreement is not and shall not be linked, referenced or in anyway dependent upon the existence, completion, or continuation of another contract, including an operating agreement or other contract with an educational management organization as defined in Section 386.033 of the Nevada Administrative Code. Seller certifies that it is not an educational management organization as defined in NAC 386.033. ["Educational management organization" means a corporation, business, organization or other entity, whether or not conducted for profit, with whom the governing body of a charter school contracts to assist with the operation, management or provision and implementation of educational services and programs of the charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school.]

22. Miscellaneous.

22.1. Possession of the Property. Seller will deliver possession of the Property to Buyer upon the Close of Escrow.

22.2. Prevailing Party. If Buyer or Seller shall institute any legal action or arbitration proceeding against the other in connection with any controversy related to, concerning or arising out of this Agreement, or any facts based upon or involving this Agreement, the prevailing party, whether in court, through arbitration, or by way of out-of-court settlement, shall be entitled to recover from the non-prevailing party attorneys' fees, court costs, expert witness fees and other related expenses. Notwithstanding the foregoing, in the event that the Seller is the non-prevailing party and the proceeding results from breach, action or inaction, of one or more, but not all, of the persons constituting the Seller hereunder, then prevailing party shall seek the recovery any such attorneys' fees, court costs, expert

witness fees and other related expenses solely from those persons to whom such breach, action or inaction is attributable.

22.3. Counterparts; Signatures. This Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument but all of which together shall constitute one agreement. The signatures to this Agreement may be transmitted by facsimile or electronic mail.

22.4. Severability. If any term or provision of this Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

22.5. Waivers. No waiver of any breach or any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

22.6. Successors and Assigns. This Agreement is binding upon and inures to the benefit of the successors and assigns of the parties hereto.

22.7. Entire Agreement: This Agreement constitutes the entire contract between the parties hereto and may not be modified except by an instrument in writing signed by the party to be charged. This Agreement supersedes all prior agreements and communications between Buyer and Seller.

22.8. Time of Essence; Date for Performance. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or other legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday. Unless otherwise set forth in the Agreement, references to deadlines, including all dates and times shall mean the close of business being 5:00 PM (Pacific Time).

22.9. Confidentiality. The terms and provisions of this Agreement, including all financial terms, shall remain confidential and shall not be disclosed by either party hereto without the written consent of the other except (a) to such party's board, members, directors, officers, partners, employees, legal counsel, accountants, financial advisors and similar professionals and consultants to the extent such party deems it necessary or appropriate in connection with the transaction contemplated hereunder; or (b) as otherwise required by law or regulation. Any disclosure pursuant to clause (b) of the preceding sentence shall indicate that the information is confidential and should be so treated by the recipient. The restrictions in this Section shall survive any termination of this Agreement.

22.10. Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of labor difficulties, inability to procure materials, restrictive governmental laws or regulations, insurrection, war, act of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for the lesser of (i) a period equivalent to the period of such delay or (ii) twelve (12) months. If upon the expiration of the extension period the required performance remains unperformed, Buyer may either waive said performance and

forthwith continue to settle Lots as provided herein, or Buyer may at its option declare this Agreement null and void and in such event the unallocated portion of the Deposit shall be returned to Buyer and there shall be no further liability on the part of either party to the other.

22.11. Construction. This Agreement is an agreement between financially sophisticated and knowledgeable parties, each of which has had the opportunity to be represented by counsel, and is entered into by the Parties in reliance upon the economic and legal bargains contained herein and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party who prepared (or caused the preparation of) this Agreement or the relative bargaining power of the Parties.

22.12. Joint Escrow Instructions. This Agreement shall constitute joint escrow instructions of the parties of the Title Company. The parties shall execute such additional escrow instructions not in conflict with the terms hereof as may be required to fully effectuate the terms, covenants and conditions hereof. In the event of any inconsistency or conflict between the terms of this Agreement and any such additional escrow instructions, the terms of this Agreement shall control.

22.13. Governing Law, Jurisdiction and Venue. The parties hereto expressly agree that this Agreement will be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Nevada. The parties hereby consent to the jurisdiction of the courts of the State of Nevada in the event any action is brought for declaratory relief or enforcement of any of the terms and provisions of this Agreement, with venue to be in Las Vegas, Nevada.

22.14. Exhibits; Titles and Headings. Unless specified otherwise, all references to Exhibits herein refer to the Exhibits attached hereto, which are hereby made a portion hereof and are incorporated herein by this reference. Titles and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provisions of this Agreement.

22.15. No Partnership or Joint Venture Created. Nothing in this Agreement shall be construed, deemed or interpreted by the parties or by any third person to create the relationship of principal and agent or of partnership, joint venture or any other association other than that of seller-buyer between the parties.

22.16. Effectiveness of Agreement. Submission of this Agreement to Seller does not constitute an option or offer to sell the Property and this Agreement shall not be effective unless and until execution and delivery occurs by all Parties hereto. By execution of this Agreement, Buyer shall not be deemed to have made any assurances that Buyer will sign this Agreement and/or perform its respective obligations hereunder.

22.17. State of Nevada Security Interest. As required by applicable Nevada law, Buyer shall grant and assign to the State of Nevada a security interest in the Property, together with all buildings, equipment and facilities located thereon, simultaneously with the Closing hereunder.

[Continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

BUYER:

a _____

By: _____

Name: _____

Title: _____

Date: _____

SELLER:

VIZA REAL ESTATE HOLDINGSLLC, a Nevada limited liability company

By: _____

Name: _____

Title: _____

Date: _____

ESCROW HOLDER ACKNOWLEDGEMENT

The undersigned Escrow Holder hereby acknowledges receipt of a copy of this Agreement and the Deposit, and agrees to hold and dispose of the Deposit in accordance with the provisions of this Agreement.

Nevada Title Company

By: _____

Name: _____

Title: _____

Date: _____

Exhibits:

Exhibit "A": Description of the Real Property

Exhibit "B": Form of Deed

Exhibit "C": Form of Assignment

EXHIBIT A TO AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

LEGAL DESCRIPTION OF THE PROPERTY

[TO BE ATTACHED BY ESCROW HOLDER]

EXHIBIT B TO AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

FORM OF DEED

APN: _____

WHEN RECORDED RETURN TO
AND SEND TAX STATEMENTS TO:

GRANT BARGAIN AND SALE DEED

VIZA REAL ESTATE HOLDINGSLLC, a Nevada limited liability company, as "Grantor", does hereby Grant, Bargain, Sell and Convey to _____, a _____, as "Grantee," whose address is _____; _____, all that real property situate in the County of Clark, State of Nevada (the "Land") described on Exhibit "A" attached hereto and incorporated herein by this reference, together with all improvements located thereon.

SUBJECT TO:

1. General taxes for the current fiscal tax year.
2. All covenants, conditions, restrictions, reservations, rights, rights-of-way and easements recorded against the Land prior to or concurrently with this Deed, and all other matters of record or apparent.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its manager thereunto duly authorized.

Dated as of _____, 2012.

VIZA REAL ESTATE HOLDINGSLLC, a Nevada limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 2012, by _____ as _____ of VIZA REAL ESTATE HOLDINGSLLC.

NOTARY PUBLIC

My Commission expires: _____

EXHIBIT C TO AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

FORM OF ASSIGNMENT

ASSIGNMENT

This Assignment ("Assignment") is made and entered into as of the Effective Date (as defined below) by and between the VIZA REAL ESTATE HOLDINGS LLC, a Nevada limited liability company (the "Assignor"), and _____, a _____ (the "Assignee").

RECITALS

A. Assignor and Assignee entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of _____, 2012 (the "Agreement"), respecting the sale of certain property.

B. Under the Agreement, Assignor is obligated to assign its rights as to or against any person or entity which performed any services or work of improvement on or for the Property (defined in the Agreement).

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Assignor assigns, sells, transfers, sets over and delivers unto Assignee any and all of Assignor's rights as to or against any contractor, subcontractor, professional or other person or entity which performed any services or work of improvement on or for the Property, as defined in the Agreement, including, without limitation, any warranties or other contractual rights or claims. Assignor makes no warranty or representation with respect to such rights, warranties or claims, except as set forth in the Agreement, if any.

2. Assignee acknowledges that rights under certain contracts may not be assignable by Assignor or may have restrictions on assignability pursuant to certain contractual provisions. Such restrictions on assignability, if any, shall not be considered a breach of this Assignment or the Agreement. Assignor agrees to cooperate with Assignee, at no cost to Assignor, to arrange for the assignment to Assignee of any such items' rights, warranties or claims with restricted assignability.

3. Assignor also assigns, sells, transfers, sets over and delivers unto Assignee any and all of Assignor's rights, title and interest in all assets, materials and/or claims owned or held in connection with the use, management, development or enjoyment of the Property, including, without limitation: (i) all development rights, entitlements, approvals and applications relating to the development of Property; (ii) all plans, specifications, maps, drawings and other renderings relating to the Property; (iii) the application and associated work product, renderings, maps and plans for an amendment to the final map of the Property; (iv) all intangible rights, goodwill and similar rights benefiting the Property; (v) all rights, claims or awards benefiting the Property; (vi) all rights to receive a reimbursement, credit or refund from the applicable agency or entity of any deposits or fees paid in connection with the development of the Property; and (vii) all claims, counterclaims, defenses or actions, whether at common law or pursuant to federal, state, or local laws or regulations, against third parties relating to the existence of any hazardous materials in, at, on or under the Property.

4. This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

5. This Assignment shall be governed by; interpreted under, and construed and enforceable in accordance with, the laws of the State of Nevada, without giving effect to the principles of the conflicts of laws.

6. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first written above.

ASSIGNOR:

VIZA REAL ESTATE HOLDINGSLLC, a Nevada limited liability company

By: _____

Name: _____
Title: _____

ASSIGNEE:

a _____

By: _____
Name: _____
Title: _____

U:\Quest Academy\Kindergarten site\Purchase and Sale Agreement DRAFT 3-14-12.doc



Quest Academy

PREPARATORY EDUCATION

*2011-12
Governing Board
Members*

Christina Fuentes,
President

Vernon Law,
Vice President

Berta Norwood,
Secretary

Marc Abelman,
Member

Beverly Moore,
Member

September 25, 2012

Steve Canavero, Director
State Public Charter School Authority
1749 North Stewart Street
Carson City, NV 89706

Dear Steve,

This letter is requesting to amend our charter to open and operate a K-12 facility at Deer Springs and Grand Canyon, Las Vegas, NV.

If you have any questions, please don't hesitate to contact me.

Respectfully,

Christina Fuentes
Governing Board President

BRIAN SANDOVAL
Governor

STATE OF NEVADA

STEVE CANAVERO
Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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

October 12, 2012

Christina Fuentes, Governing Body President
Quest Academy Preparatory Education
6610 Grand Montecito Pkwy.
Las Vegas NV 89149

Reference: 10 acres of vacant land Parcel #125-19-301-007 and 008

Dear Ms. Fuentes:

Your charter school's sponsor, the State Public Charter School Authority, recently received from your school two documents as email attachments; thank you. Both are entitled Project Timeline Permanent Facility; one is 38 pages, the other 14 pages. The documents appear to be a response to Dr. Canavero's August 31, 2012, letter to you.

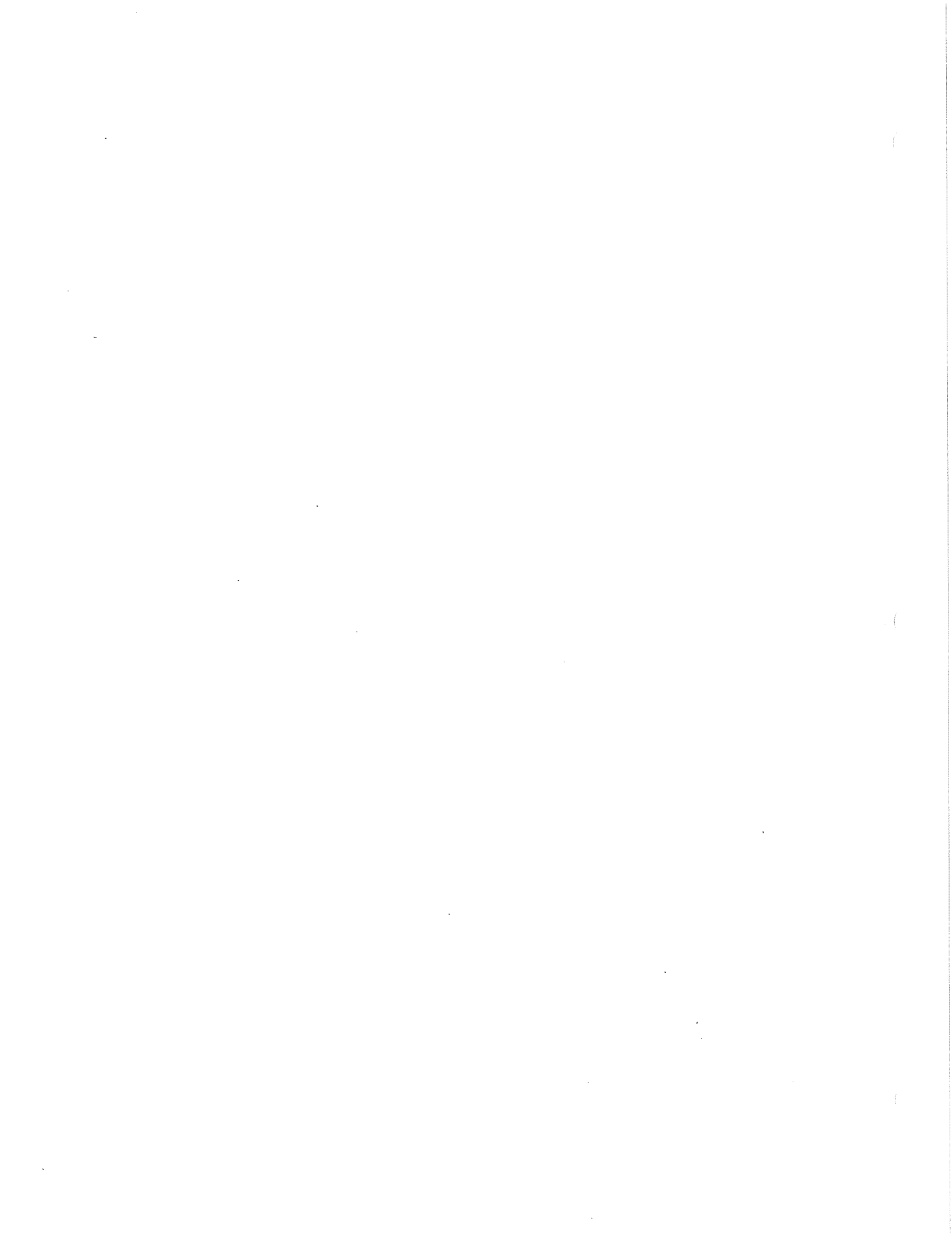
Dr. Canavero's August 31, 2012, letter identified the minimum requirements to be addressed by Quest Academy Preparatory Education (Quest) if Quest intended to seek at the October 18-19, 2012, meeting of the State Public Charter School Authority (Authority) Board NRS 386.550(1)(k) approval of its sponsor to use public money to purchase real property.

The material contained in the two email attachments referenced above fails to adequately address the requirements identified in Dr. Canavero's letter. As a result, **Dr. Canavero will not be able to recommend to the Authority Board at its October 18-19, 2012, meeting approval of Quest's request to use public money to purchase real property.**

The following bullet points identify the requirements listed in Dr. Canavero's August 31, 2012, letter to you. The yellow-highlighted, italicized text are Authority staff's review comments regarding the material submitted in the two email attachments:

- A thorough, detailed, and complete description of the proposed project.

- The reason for the purchase; why purchase by the governing body of the property is the best option.
- A comprehensive timeline is an important component of the description of the proposed project.
- Comprehensive budget (at least two years) demonstrating the school can buy, build, maintain, and/or improve the proposed property without impacting the school's near and long term financial viability. *Only one year provided. Capital improvement plan to be updated now. Should not wait until February.*
 - Contingency plans for higher than anticipated costs. *No contingency plans provided*
 - Base the budget on realistic, historic projections of revenues.
- Intended use of the property or properties by other entities with agreements. *No agreement provided, but facility rental income noted in budget.*
 - If applicable
- The Quest Governing Body Agenda and Minutes where *No meeting minutes provided*
 - The purchase of real property was discussed.
 - A decision was made to seek approval from the sponsor to purchase real property.
 - Financing, including the resolution to enter into a medium term debt obligation, was discussed and acted upon.
 - See NRS 350.087 (below)
- Permits and zoning issues should be fully documented.
 - What issues are there and plan for resolution of those issues *What is the backup plan if the City says no on Nov. 7th?*
- Proposed purchase documentation for each property.
- Contingency plan(s) if the purchase or build out, if applicable, is delayed and not ready for student occupancy. *Noted the possibility of using temp facilities. No contingency in budget noted for costs.*
- Financing
 - Terms of the loan; *No information provided for terms.*
 - Insurance coverage and costs;
 - Improvements or build out to suit school needs;
 - Architect plans/improvements
- What are the school's contingency plan(s); *No contingency plan noted for these items*
 - If enrollment declines.
 - If DSA support declines.
- Deed documentation and restrictions or covenants.
- A draft of the proposed security interest to be assigned. *No security interest provided.*





Quest Academy

PREPARATORY EDUCATION

*2012-13
Governing Board
Members*

Christina Fuentes,
President

Vernon Law,
Vice President

Berta Norwood,
Secretary

Marc Abelman,
Treasurer

Beverly Moore,
Member

October 15, 2012

Allyson Kellogg
State Public Charter School Authority
1749 N. Stewart Street, Suite 140
Carson City, NV 89706-2543

Dear Ms. Kellogg,

This letter is in response to your letter dated October 12, 2012 regarding the 10 acres of vacant land Parcel #125-19-301-007 and 008. The purpose of this letter is to clarify bulleted points for the Authority's staff which were submitted by Quest in the form of a Project Timeline. We are confident that once clarified, the Authority's staff will be able to recommend approval for Quest to use state funds to purchase real property. Below are the requested items as well as our response.

1. *Comprehensive Budget for at least two years*
 - a. Attached please find a 5-year budget as well as a pro forma for the project.
2. *Updated Capital Improvement Plan*
 - a. Attached is an updated Capital Improvement Plan
3. *Contingency Plan for higher than anticipated costs*
 - a. As stated on Page 12 of the Project Timeline, the "board has maintained a contingency account of 3% of its annual budget revenue...for any unexpected events." The board has had this account since 2010 and maintains that there are enough funds to cover any unexpected costs which may arise in the construction of the future site. Additionally, the bond funding has a built-in 'cushion' to account for any unexpected costs as well.
4. *Facility Rental Income*
 - a. At this time, there are no definitive plans for rental income at the future site. When/if an opportunity arises whereby Quest Academy could enter into a rental agreement, it would be brought before the school's Governing Board for approval prior to entering into such an agreement. Copies of any such agreement will be provided to the State (via AOIS) when they are executed.
5. *Governing Board Meeting Minutes*
 - a. Please see the attached minutes for the July 23, 2012 Governing Board Meeting and the minutes for the August 13, 2012 Governing Board Meeting. There were motions and discussion regarding the future site. The minutes for the June 25, 2012 meeting which approves the project manager.
6. *Backup plan if City says no on November 7th.*
 - a. **The Quest proposal for the future site was approved on Tuesday, October 9th, 2012 by the City Planning Commission as stated on Page 8 of the Project Timeline.** Since the Governing Board has received this final approval, the project will not/need to be forwarded to the City Council on November 7th. The school is ready to proceed on construction. The final step is approval by the SPCSA. A copy of the agenda is attached.

7. *Possibility of using temporary facilities noted in budget*
 - a. Temporary facilities costs have been included on the budget for the first year. The new budget is attached to this letter (as indicated in #1 above.)
8. *Loan terms*
 - a. The terms of the loan are referred to on Page 12 of the Project Timeline. "The terms will be a 30-year long term debt obligation at a competitive fixed rate." Quest Academy is in the process of applying for bond funding which is estimated to occur sometime early in 2013 and the terms will be based on the school's crediting as well as market interest rates.
9. *Contingency plan for enrollment decline/funding decline*
 - a. As stated in #3 above, the Governing Board of Quest Academy does not anticipate a reduction in funding or enrollment, but maintains a Contingency Fund for such cases.
10. *Security Interest*
 - a. A copy of the Security Interest was provided as Attachment H of the Project Timeline packet. **This is the identical Security Interest and Promissory Note submitted to and approved by the State for the purchase of the Quest Kindergarten facility in August, 2012.** The same language will be used for the future site and will reflect updated information (such as address etc.) when the information becomes available.

We appreciate you giving us an opportunity to respond and clarify any items provided in our Project Timeline packet. We would be happy to discuss any of the items and hope that we can count on the Authority's staff to recommend approval at the October 18-19, 2012 Board meeting.

Respectfully,

Christina Fuentes
Governing Board President
Quest Academy Preparatory Education

Quest Budget Proforma New Building ONLY 2013-18

	Current FY 12-13	Year 1 FY 13-14	Year 2 FY 14-15	Year 3 FY 15-16	Year 4 FY 16-17	Year 5 FY 17-18
Full Count	1,002	1,200	1,200	1,200	1,200	1,200
Weighted	960	1,200	1,200	1,200	1,200	1,160
DSA	5,257	5,048,823	6,308,400	6,308,400	6,308,400	6,308,400
Outside Revenue	997	957,519	1,195,400	1,195,400	1,195,400	1,195,400
FTE per student	6,254	6,254	6,145	6,145	6,145	6,145
FTE Generated Revenue - DSA Funding	6,006,342	7,504,800	7,374,480	7,374,480	7,374,480	7,374,480
Hold Harmless Revenue						
Title Funds						
Plus Charter School Outside Revenues						
State Mandated Reduction						
Sub-total State & Local Revenue-(DSA)	6,006,342	7,504,800	7,374,480	7,374,480	7,374,480	7,374,480
Special Education	59,652	79,536	79,536	79,536	79,536	79,536
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	6,065,994	7,584,336	7,454,016	7,454,016	7,454,016	7,454,016
SUPPLEMENTAL FEE REVENUE						
NSLP Food Service Revenue	50,000	65,000	65,000	65,000	65,000	65,000
Other School Courses & Class Fees	10,700	-	-	-	-	-
Student Activities Fundraisers	15,000	10,000	8,000	8,000	8,000	8,000
Before/After School Care Contributions (Note: This should increase with enrollment)	63,000	60,000	55,000	55,000	55,000	55,000
Other Local Revenue (Interest)	58,000	65,000	70,000	70,000	70,000	70,000
Other Food Service Revenues (ie. Parents)	10,000	10,000	10,000	10,000	10,000	10,000
Donations	27,000	27,000	27,000	27,000	27,000	27,000
Facility Rental Income						
Subtotal Supplemental Fee Revenue	233,700	237,000	235,000	235,000	235,000	235,000
Grants & Initial Fees Revenue						
Grants	101,000					
GROSS REVENUE	6,400,694	7,821,336	7,689,016	7,689,016	7,689,016	7,689,016
Net School Revenue	6,400,694	7,821,336	7,689,016	7,689,016	7,689,016	7,689,016
EXPENSES						
Salaries & Benefits	2,955,940	3,486,811	3,591,416	3,699,158	3,810,133	3,924,437
Incentives	75,000	100,000	100,000	100,000	100,000	100,000

SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF											
	3,030,940	47%	3,586,811	46%	3,691,416	48%	3,799,158	49%	3,910,133	51%	4,024,437
OTHER SCHOOL SERVICES											
Food Service	168,000		100,000		100,000		100,000		100,000		100,000
Transportation (Staff Travel)	8,000		5,000		5,000		5,000		5,000		5,000
Nurse/Health Aide Supplies & Software	3,250		1,250		1,250		1,250		1,250		1,250
SUBTOTAL OTHER SCHOOL SERVICES	169,250	3%	106,250	1%	106,250	1%	106,250	1%	106,250	1%	106,250
DIRECT EDUCATIONAL EXPENSES											
New Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	35,000		150,000		75,000		25,000		25,000		10,000
Classroom Computers/Instr Hardware	60,000		200,000		45,000		25,000		25,000		10,000
Electric Contract Services	30,000		50,000		50,000		50,000		50,000		50,000
Special Ed Contract Services	72,000		150,000		150,000		150,000		150,000		150,000
Textbooks K-12	135,000		150,000		85,000		85,000		85,000		25,000
Textbooks Summer School K-12											
Title 1 Materials	17,000		50,000		50,000		55,000		55,000		55,000
Classroom Supplies K-12	12,500		15,000		15,000		15,000		15,000		15,000
Classroom Equipment	18,000		15,000		15,000		15,000		15,000		15,000
GRT tutoring	40,000		50,000		50,000		50,000		50,000		50,000
Software License Agreement	66,600		55,000		55,000		55,000		55,000		55,000
IT Consultant	35,000		35,000		35,000		35,000		35,000		35,000
PE Consultant	1,000		5,000		5,000		5,000		5,000		5,000
Summer School Supplies & Purchased Serv Snacks	7,500		5,000		5,000		5,000		5,000		5,000
Media/Library Materials	23,000		30,000		30,000		30,000		30,000		30,000
Field Trips & Awards											
Other Various Fundraising Expenses	28,000		50,000		50,000		50,000		50,000		50,000
Assessment Materials	10,500		15,000		15,000		15,000		15,000		15,000
Other Summer School Exps	60,000		30,000		30,000		30,000		30,000		30,000
Sports Contracts											
SUBTOTAL DIRECT EDUCATIONAL EXPENSES	651,100	10%	1,055,000	13%	760,000	10%	695,000	9%	695,000	9%	605,000
GENERAL AND ADMINISTRATIVE											
Telecommunications	25,500		18,000		18,000		18,000		18,000		18,000
Internet Service (ISP)	22,500		15,000		15,000		15,000		15,000		15,000
Copier Maintenance & Supplies	37,000		30,000		30,000		30,000		30,000		30,000
Liability Insurance Premium	37,000		50,000		50,000		50,000		50,000		50,000
D&O, Professional Insurance	2,000		15,000		15,000		15,000		15,000		15,000
Consultants	200,000		250,000		250,000		250,000		250,000		250,000
Independent Audit	30,000		45,000		45,000		45,000		45,000		45,000
Office Supplies	21,500		30,000		30,000		30,000		30,000		30,000

Legal Fees	5,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000
Dues and Fees	1,500		1,500		1,500		1,500		1,500		1,500		1,500		1,500		1,500		1,500
Postage	9,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000
Payroll Service	13,200		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000
Governing Board Expenditures	25,000		25,000		25,000		25,000		25,000		25,000		25,000		25,000		25,000		25,000
Other GB - travel	5,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000
After Care - After School Clubs	2,300		800		800		800		800		800		800		800		800		800
PAC	2,000		2,000		2,000		2,000		2,000		2,000		2,000		2,000		2,000		2,000
STUDENT COUNCIL	3,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500
SUBTOTAL GENERAL AND ADMINISTRATIVE	467,000	7%	544,800	7%	544,800	7%	544,800	7%	544,800	7%	544,800	7%	544,800	7%	544,800	7%	544,800	7%	544,800
FACILITY OPERATING EXPENSES																			
Cafeteria Equipment	5,000		150,000		20,000		20,000		15,000		10,000		10,000		10,000		10,000		5,000
Building Maintenance	32,500		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000		20,000
Landscaping	5,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000
Janitorial Supplies	12,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000
Janitorial Services	55,000		150,000		150,000		150,000		150,000		150,000		150,000		150,000		150,000		150,000
UTILITIES																			
Electricity	46,500		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000
Water and Sewer	26,500		44,000		44,000		44,000		44,000		44,000		44,000		44,000		44,000		44,000
Exterminating (Pest Control)	1,600		2,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500
Waste (Trash Removal)	8,200		30,000		30,000		30,000		30,000		30,000		30,000		30,000		30,000		30,000
Building Monitoring System	7,000		15,000		15,000		15,000		15,000		15,000		15,000		15,000		15,000		15,000
Miscellaneous Facility Costs	6,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000
Signage	-5,000																		
SUBTOTAL FACILITY OPERATING EXPENSES	210,300	3%	621,500	8%	491,500	6%	486,500	6%	481,500	6%	481,500	6%	481,500	6%	481,500	6%	481,500	6%	476,500
FACULTY DEVELOPMENT																			
Professional Development (Includes travel exp and conferences)	50,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000
Staff Development Wednesdays	6,000		8,000		8,000		8,000		8,000		8,000		8,000		8,000		8,000		8,000
Sub-total Faculty Development	56,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000	1%	108,000
Marketing & Enrollment Expenses																			
Marketing	27,000		25,000		20,000		10,000		10,000		10,000		10,000		10,000		10,000		10,000
Recruitment Advertising	2,000		1,500		1,500		1,500		1,500		1,500		1,500		1,500		1,500		1,500
School Orientation	7,000		5,000		5,000		5,000		5,000		5,000		5,000		5,000		5,000		5,000
Sub-total Marketing & Enrollment Exp	36,000	1%	31,500	0%	26,500	0%	16,500	0%	16,500	0%	16,500	0%	16,500	0%	16,500	0%	16,500	0%	16,500
State Sponsor Fee -1.5%	90,095		112,572		110,617		110,617		110,617		110,617		110,617		110,617		110,617		110,617
Permanent Facility/Real Estate	505,000																		
Kindergarten & YMCA High School Facility	680,800		1,040,000		1,040,000		1,040,000		1,040,000		1,040,000		1,040,000		1,040,000		1,040,000		1,040,000
Base Rent/Lease (New Facility Payment)			Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt
Property Taxes			Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt		Exempt

Modified: 10/15/2012 10:15 AM

TOTAL FACILITY EXPENSES	1,185,900	19%	1,040,000	13%	1,040,000	14%	1,040,000	14%	1,040,000	14%	1,040,000
Total Operating Expenses	5,896,485	92%	7,206,433	92%	6,879,083	89%	6,906,825	90%	7,012,800	91%	7,032,104
3% Contingency of Expenses Reserve	176,895		216,193		206,372		207,205		210,384		210,983
Building Fund 2% of Expenses Reserve	117,930		144,129		137,582		138,137		140,256		140,642
TOTAL EXPENSES WITH RESERVES	6,191,309	97%	7,566,755	97%	7,223,037	94%	7,252,167	94%	7,363,440	96%	7,383,709
Net School Revenue	6,400,694		7,821,336		7,689,016		7,689,016		7,689,016		7,689,016
Net Surplus Before Reserves	504,208	8%	614,903	8%	809,933	11%	782,191	10%	676,216	9%	656,912
Net Surplus After Reserves	209,384	3%	254,581	3%	465,979	6%	436,849	6%	325,576	4%	305,307

Bldg Reserve Bal Forward 68,761
 Projected Bldg Reserve FY End 2012-13 117,930
 Projected Bldg Reserve FY End 2013-14 144,129

186,691 330,819 468,401 606,538 746,794

Project Proforma Report for School
(Dollars in Actuals)

Quest Academy
 Location & School FY Start Las Vegas, NV
 School Launch Year & Est Rent Mont 2013
 Grade Range K-12
 Existing Student Count 1002
 Target Enrollment 1200

Recommended Proforma Strategy

Revenue:	Launch Year					
	Current Year FY 12-13	Year 1 FY 13-14	Year 2 FY 14-15	Year 3 FY 15-16	Year 4 FY 16-17	Year 5 FY 17-18
Total Enrollment (Weighted)	1002	1200	1200	1200	1200	1200
COA Revenue Increases						
State Per Pupil Revenue	\$ 6,254	\$ 6,254	\$ 6,145	\$ 6,145	\$ 6,145	\$ 6,145
DSA Revenue	\$ 6,006,342	\$ 7,504,800	\$ 7,374,480	\$ 7,374,480	\$ 7,374,480	\$ 7,374,480
Local Revenue						
Special Education Revenue	\$ 59,652	\$ 79,536	\$ 79,536	\$ 79,536	\$ 79,536	\$ 79,536
Total Per Pupil Revenue	\$ 6,065,994	\$ 7,594,386	\$ 7,454,016	\$ 7,454,016	\$ 7,454,016	\$ 7,454,016
Grants						
Other	\$ 394,700	\$ 237,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000
Phase 1 Total Revenue	\$ 6,400,694	\$ 7,821,386	\$ 7,689,016	\$ 7,689,016	\$ 7,689,016	\$ 7,689,016

Expenses:

COA Expense Increase	\$ 3,030,940	\$ 3,586,811	\$ 3,691,416	\$ 3,799,198	\$ 3,910,133	\$ 4,024,437
Salaries & Benefits	\$ 467,000	\$ 544,800	\$ 544,800	\$ 544,800	\$ 544,800	\$ 544,800
Administrative Expense	\$ 210,300	\$ 621,800	\$ 491,500	\$ 486,500	\$ 481,500	\$ 476,500
Operation & Maintenance	\$ 661,100	\$ 1,055,000	\$ 760,000	\$ 695,000	\$ 695,000	\$ 605,000
Regular Education & Supplies	\$ 56,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
Professional Development	\$ 199,250	\$ 106,250	\$ 106,250	\$ 106,250	\$ 106,250	\$ 106,250
Other School Services	\$ 90,095	\$ 112,572	\$ 110,617	\$ 110,617	\$ 110,617	\$ 110,617
State Specific Programs	\$ 36,000	\$ 31,500	\$ 28,500	\$ 16,500	\$ 16,500	\$ 16,500
Other Expenses (Marketing)	\$ 505,000	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 1 Total Non Facility Expenses	\$ 1,185,800	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000
New Facility Payment	\$ 680,800	\$ -	\$ -	\$ -	\$ -	\$ -
Other/Current Facility Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ground Lease Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facility Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 5,898,485	\$ 7,206,434	\$ 6,879,083	\$ 6,906,826	\$ 7,012,800	\$ 7,032,104

* 16Mil x 7% = 40 YR

Net Revenue	\$	504,208	\$	614,902	\$	809,933	\$	782,190	\$	676,216	\$	666,912
Fund Balance	\$	850,000	\$	504,208	\$	614,902	\$	809,933	\$	782,190	\$	676,216
Bank Balance Before Reserves	\$	1,354,208	\$	1,969,111	\$	2,779,044	\$	3,561,234	\$	4,237,450	\$	4,894,361
State Contingency (3% of Expenses)	\$	176,895	\$	216,193	\$	206,372	\$	207,205	\$	210,384	\$	210,963
Building Reserve (2% of Expenses)	\$	117,930	\$	144,129	\$	137,582	\$	138,137	\$	140,256	\$	140,642
Building Reserves Balance Fwd	\$	88,784	\$	330,819	\$	468,401	\$	606,538	\$	746,794	\$	887,436
Building Reserves Fund Balance	\$	186,691	\$	468,401	\$	606,538	\$	746,794	\$	887,436	\$	887,436

15. VAR-46583 - VARIANCE - PUBLIC HEARING - APPLICANT/OWNER: HARRIS INVESTMENTS, LLC - For possible action on a request for a Variance TO ALLOW A 12-FOOT CORNER SIDE YARD SETBACK WHERE 15 FEET IS REQUIRED on 0.28 acres at 501 South Tonopah Drive (APN 139-33-301-001), PD (Planned Development) Zone [MD-1 (Medical Support) Las Vegas Medical District Special Land Use Designation], Ward 5 (Barlow). Staff recommends APPROVAL.
16. VAC-46842 - VACATION RELATED TO VAR-46583 - PUBLIC HEARING - APPLICANT/OWNER: HARRIS INVESTMENTS, LLC - For possible action on a Petition to Vacate a portion of the south side of Alta Drive east of Tonopah Drive, Ward 5 (Barlow). Staff recommends APPROVAL.
17. SDR-46582 - SITE DEVELOPMENT PLAN REVIEW RELATED TO VAR-46583 AND VAC-46842 - PUBLIC HEARING - APPLICANT/OWNER: HARRIS INVESTMENTS, LLC - For possible action on a request for a Site Development Plan Review FOR A PROPOSED 3,897 SQUARE-FOOT OFFICE BUILDING WITH A WAIVER OF TITLE 19.08 PERIMETER LANDSCAPE REQUIREMENTS TO ALLOW A THREE-FOOT WIDE LANDSCAPE BUFFER ALONG A PORTION OF THE EAST PROPERTY LINE WHERE EIGHT FEET IS REQUIRED AND A WAIVER OF THE LAS VEGAS MEDICAL DISTRICT UTILITY STANDARDS, WITH AN ASSOCIATED ENCROACHMENT INTO THE PUBLIC RIGHT-OF-WAY on 0.28 acres at 501 South Tonopah Drive (APN 139-33-301-001), PD (Planned Development) Zone [MD-1 (Medical Support) Las Vegas Medical District Special Land Use Designation], Ward 5 (Barlow). Staff recommends APPROVAL.
18. SUP-46561 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT/OWNER: DANIELLE AKIOYAME - For possible action on a request for a Special Use Permit FOR A PROPOSED COMMUNITY RESIDENCE WITH A WAIVER TO ALLOW A 516-FOOT DISTANCE SEPARATION FROM ANOTHER COMMUNITY RESIDENCE WHERE 660 FEET IS REQUIRED at 1912 Fontana Avenue (APN 139-33-110-080), R-1 (Single Family Residential) Zone, Ward 5 (Barlow). Staff recommends APPROVAL.
19. SUP-46572 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: QUEST ACADEMY - OWNER: RUSSELL WARTHEN - For possible action on a request for a Special Use Permit FOR A PRIVATE SCHOOL, SECONDARY USE at the southwest corner of Deer Springs Road and Grand Canyon Drive (APNs 125-19-301-007 and 008), U (Undeveloped) Zone [RNP (Rural Neighborhood Preservation) General Plan Designation], Ward 6 (Ross). Staff recommends APPROVAL.
20. SUP-46573 - SPECIAL USE PERMIT RELATED TO SUP-46572 - PUBLIC HEARING - APPLICANT: QUEST ACADEMY - OWNER: RUSSELL WARTHEN - For possible action on a request for a Special Use Permit FOR A PRIVATE SCHOOL, PRIMARY USE at the southwest corner of Deer Springs Road and Grand Canyon Drive (APNs 125-19-301-007 and 008), U (Undeveloped) Zone [RNP (Rural Neighborhood Preservation) General Plan Designation], Ward 6 (Ross). Staff recommends APPROVAL.
21. SDR-46570 - SITE DEVELOPMENT PLAN REVIEW RELATED TO SUP-46572 AND SUP-46573 - PUBLIC HEARING - APPLICANT: QUEST ACADEMY - OWNER: RUSSELL WARTHEN - For possible action on a request for a Site Development Plan Review FOR A PROPOSED 121,800 SQUARE-FOOT PRIVATE SCHOOL on 10.0 acres at the southwest corner of Deer Springs Road and Grand Canyon Drive (APNs 125-19-301-007 and 008), U (Undeveloped) Zone [RNP (Rural Neighborhood Preservation) General Plan Designation], Ward 6 (Ross). Staff recommends APPROVAL.
22. SUP-46578 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT/OWNER: HCBI CENTENNIAL HILLS, LLC - For possible action on a request for a Special Use Permit FOR A CONGREGATE CARE FACILITY at 6680 Grand Montecito Parkway (APNs 125-20-711-009 through 012), T-C (Town Center) Zone [MS-TC (Main Street Mixed Use - Town Center Special Land Use Designation)], Ward 6 (Ross). Staff recommends APPROVAL.
23. SDR-46579 - SITE DEVELOPMENT PLAN REVIEW RELATED TO SUP-46578 - PUBLIC HEARING - APPLICANT/OWNER: HCBI CENTENNIAL HILLS, LLC - For possible action on a request for a Major Amendment to a Site Development Plan Review (SDR-3271) FOR A 29,600 SQUARE-FOOT CONGREGATE CARE FACILITY on 1.82 acres at 6680 Grand Montecito Parkway (APNs 125-20-711-009 through 012), T-C (Town Center) Zone [MS-TC (Main Street Mixed Use - Town Center Special Land Use Designation)], Ward 6 (Ross). Staff recommends APPROVAL.

ONE MOTION - ONE VOTE

THE FOLLOWING ARE ITEMS THAT MAY BE CONSIDERED IN ONE MOTION/ONE VOTE. THEY ARE CONSIDERED ROUTINE NON-PUBLIC AND PUBLIC HEARING ITEMS. ALL PUBLIC HEARINGS AND NON-PUBLIC HEARINGS WILL BE OPENED AT ONE TIME. ANY PERSON REPRESENTING AN APPLICATION OR A MEMBER OF THE PUBLIC OR A MEMBER OF THE PLANNING COMMISSION NOT IN AGREEMENT WITH THE CONDITIONS AND ALL STANDARD CONDITIONS FOR THE APPLICATION RECOMMENDED BY STAFF, SHOULD REQUEST TO HAVE THAT ITEM REMOVED FROM THIS PART OF THE AGENDA.

7. ANX-46389 - ANNEXATION - APPLICANT/OWNER: RICHARD J. BURNS - For possible action on a Petition to Annex 0.90 acres at 5960 North Torrey Pines Drive (APN 125-26-701-018). Ward 6 (Ross). Staff recommends APPROVAL.
8. ANX-46720 - ANNEXATION - APPLICANT/OWNER: ERNEST A. BECKER & KATHLEEN C. BECKER, FAMILY TRUST - For possible action on a Petition to Annex 10.02 acres at the southeast corner of Elkhorn Road and Hualapai Way (APNs 125-19-101-001 and 002). Ward 6 (Ross). Staff recommends APPROVAL.
9. SUP-46543 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: CHANTHY A. WALSH - OWNER: 9440 WEST SAHARA HOLDINGS, LLC - For possible action on a request for a Special Use Permit FOR A PROPOSED 5,288 SQUARE-FOOT SUPPER CLUB WITH A WAIVER TO ALLOW A ZERO-FOOT DISTANCE SEPARATION FROM A HOUSE OF WORSHIP WHERE 400 FEET IS REQUIRED at 9440 West Sahara Avenue, Suite #165 (APN 163-06-816-027), C-1 (Limited Commercial) Zone, Ward 2 (Beers). Staff recommends APPROVAL.
10. SUP-46569 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: PROJECT M, LLC - OWNER: T-BREO II, LLC - For possible action on a request for a Special Use Permit FOR A PROPOSED 3,320 SQUARE-FOOT TAVERN-LIMITED ESTABLISHMENT at 100 South 6th Street (APN 139-34-611-017), C-2 (General Commercial) Zone, Ward 5 (Barlow). Staff recommends APPROVAL.
11. SUP-46576 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: LIGHTS OUT, LLC - OWNER: FAEC HOLDINGS WIRRULLA, LLC - For possible action on a request for a Special Use Permit FOR A PROPOSED 6,772 SQUARE-FOOT LIQUOR ESTABLISHMENT (TAVERN) WITH WAIVERS OF REQUIRED DISTANCE SEPARATION TO ALLOW ZERO FEET FROM A SIMILAR USE, 1,240 FEET FROM A HOUSE OF WORSHIP AND 1,340 FEET FROM A SCHOOL WHERE 1,500 FEET IS REQUIRED FROM EACH at 450 Fremont Street, Suite #135 and a portion of #140 (APN 139-34-513-002), C-2 (General Commercial) Zone, Ward 5 (Barlow). Staff recommends APPROVAL.
12. VAC-46879 - VACATION - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - For possible action on a request for a Petition to Vacate McWilliams Avenue, a public right-of-way from Las Vegas Boulevard east 250 feet to Encanto Drive, Ward 5 (Barlow). Staff recommends APPROVAL.

PUBLIC HEARING ITEMS

13. TMP-44706 - TENTATIVE MAP - EL CAMPO GRANDE/RAINBOW - PUBLIC HEARING - APPLICANT: DR HORTON, INC. - OWNER: RMB REAL ESTATE, LLC - For possible action on a request for a Tentative Map FOR A 33-LOT SINGLE FAMILY SUBDIVISION on 11.7 acres at the northeast corner of Rainbow Boulevard and El Campo Grande Avenue (APNs 125-26-401-001,002, 003 and 125-26-304-005 through 008), R-1 (Single Family Residential) Zone, Ward 6 (Ross). Staff recommends APPROVAL.
14. VAR-45261 - VARIANCE RELATED TO TMP-44706 - PUBLIC HEARING - APPLICANT: DR HORTON, INC. - OWNER: RMB REAL ESTATE, LLC - For possible action on a request for a Variance TO ALLOW A 1,121-FOOT RESIDENTIAL BLOCK LENGTH WHERE THE MAXIMUM ALLOWED IS 660 FEET on 11.7 acres at the northeast corner of Rainbow Boulevard and El Campo Grande Avenue (APNs 125-26-401-001,002, 003 and 125-26-304-005 through 008), R-1 (Single Family Residential) Zone, Ward 6 (Ross). Staff recommends APPROVAL.

PLANNING COMMISSION MEETING RULES OF CONDUCT:

1. Staff will present each item to the Commission in order as shown on the agenda, along with a recommendation and suggested conditions of approval, if appropriate.
2. The applicant is asked to be at the public microphone during the staff presentation. When the staff presentation is complete, the applicant should state his name and address, and indicate whether or not he accepts staff's conditions of approval.
3. If areas of concern are known in advance, or if the applicant does not accept staff's condition, the applicant or his representative is invited to make a brief presentation of his item with emphasis on any items of concern.
4. Persons other than the applicant who support the request are invited to make brief statements after the applicant. If more than one supporter is present, comments should not be repetitive. A representative is welcome to speak and indicate that he speaks for others in the audience who share his view.
5. Objectors to the item will be heard after the applicant and any other supporters. All who wish to speak will be heard, but in the interest of time it is suggested that representatives be selected who can summarize the views of any groups of interested parties.
6. After all objectors' input has been received; the applicant will be invited to respond to any new issues raised.
7. Following the applicant's response, the public hearing will be closed; Commissioners will discuss the item amongst themselves, ask any questions they feel are appropriate, and proceed to a motion and decision on the matter.
8. Letters, petitions, photographs and other submissions to the Commission will be retained for the record. Large maps, models and other materials may be displayed to the Commission from the microphone area, but need not be handed in for the record unless requested by the Commission.

As a courtesy, we would ask those not speaking to be seated and not interrupt the speaker or the Commission. We appreciate your courtesy and hope you will help us make your visit with the Commission a good and fair experience.

BUSINESS ITEMS:

1. CALL TO ORDER
2. ANNOUNCEMENT: COMPLIANCE WITH OPEN MEETING LAW
3. ROLL CALL
4. PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS ON THE AGENDA FOR ACTION. IF YOU WISH TO BE HEARD, COME TO THE PODIUM AND GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED
5. FOR POSSIBLE ACTION TO APPROVE THE FINAL MINUTES FOR THE PLANNING COMMISSION MEETING OF SEPTEMBER 11, 2012
6. FOR POSSIBLE ACTION - Any Items from the Planning Commission, staff and/or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time.

CONSENT ITEMS:

CONSENT ITEMS ARE CONSIDERED ROUTINE BY THE PLANNING COMMISSION AND MAY BE ENACTED BY ONE MOTION. HOWEVER, ANY ITEM MAY BE DISCUSSED IF A COMMISSION MEMBER OR APPLICANT SO DESIRES.



PLANNING COMMISSION AGENDA

COUNCIL CHAMBERS · 495 SOUTH MAIN STREET · PHONE 229-6011
CITY OF LAS VEGAS INTERNET ADDRESS: www.lasvegasnevada.gov

LAS VEGAS CITY COUNCIL

Mayor Carolyn G. Goodman, (At-Large)
Mayor Pro-Tem Stavros S. Anthony, (Ward 4)
Councilwoman Lois Tarkanian, (Ward 1)
Councilman Steven D. Ross, (Ward 6)
Councilman Ricki Y. Barlow (Ward 5)
Councilman Bob Coffin, (Ward 3)
Councilman Bob Beers, (Ward 2)
City Manager Elizabeth N. Fretwell

COMMISSIONERS

Vicki Quinn, Chair
Gus W. Flangas, Vice Chair
Byron Goynes
Richard Truesdell
Todd L. Moody
Trinity Haven Schlottman
Richard P. Bonar

Facilities are provided throughout City Hall for convenience of persons with disabilities. For meetings held in the Council Chambers, sound equipment is available for persons with hearing impairments. If you need an accommodation to attend and participate in this meeting, please call the DEPARTMENT DESIGNEE at (702) 229-6301 and advise of your need at least 48 hours in advance of the meeting. The City's TDD number is (702) 386-9108.

October 9, 2012

6:00 PM

ITEMS MAY BE TAKEN OUT OF THE ORDER PRESENTED AT THE DISCRETION OF THE CHAIRPERSON. TWO OR MORE AGENDA ITEMS FOR CONSIDERATION MAY BE COMBINED; AND ANY ITEM ON THE AGENDA MAY BE REMOVED OR RELATED DISCUSSION MAY BE DELAYED AT ANY TIME.

NOTICE: This meeting has been properly noticed and posted at the following locations:

City Hall, 495 South Main Street, 1st Floor
Clark County Government Center, 500 South Grand Central Parkway
Grant Sawyer Building, 555 East Washington Avenue
City of Las Vegas Development Services Center, 333 North Rancho Drive

ACTIONS: ALL ACTIONS EXCEPT GENERAL PLAN AMENDMENTS, REZONINGS AND RELATED CASES THERETO ARE FINAL UNLESS AN APPEAL IS FILED BY THE APPLICANT OR AN AGGRIEVED PERSON, OR A REVIEW IS REQUESTED BY A MEMBER OF THE CITY COUNCIL WITHIN TEN DAYS AND PAYMENT OF THOSE COSTS SHALL BE MADE UPON FILING OF THE APPLICATION.

ANY ITEM LISTED IN THIS AGENDA MAY BE TAKEN OUT OF ORDER IF SO REQUESTED BY THE APPLICANT, STAFF, OR A MEMBER OF THE PLANNING COMMISSION AND AGREED TO BY THE PLANNING COMMISSION. THE PLANNING COMMISSION MAY IMPOSE TIME LIMITATIONS, AS NECESSARY, ON THOSE PERSONS WISHING TO BE HEARD ON ANY AGENDAED ITEM.

Ms. Moore moved to accept that technology grant from Lowe's in the amount of \$41,000 to be used for the school. Mr. Law seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

Ms. Jordan commended Jennifer Hosh for applying for and the grant.

8. **Retreat Report:** Ms. Norwood explained that the Quest Governing Board met with the Colorado League of Charter Schools at the annual retreat, August 2-5th, 2012. Ms. Norwood stated that she will provide all Governing Board members with the minutes and notes from each day of the retreat. She said if any other member of the public would like a copy of the notes, please contact her.

She reiterated the mission of the Governing Board is to create a network of schools to serve a diverse group of students.

9. **Principal's Report:** Ms. Dodson referred members to the Title I funding information. She also updated members on the professional development scheduled for staff for the coming weeks.

Ms. Jordan referred board members to a document from Jason Klonoski giving an updated about the permanent facility. She also reminded board members that Quest achieved AYP for the 2011-12 school year. She also explained that she is looking at purchasing a used school bus for the school. She thinks the used bus would be a good investment for the school. Ms. Jordan invited board members to attend Open House Night.

10. **Public Comments:** No public comments were made.

Meeting was adjourned at 7:02 p.m.

Ms. Norwood asked if a student could complete a course in less than one year and Ms. Surina said yes, if it's for academic credit recovery.

Ms. Norwood moved to accept Compass Learning for online classes. Ms. Moore seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

5. Finance Report - Ms. Glidewell asked the Governing Board for approval to apply for a Sam's Club Credit Card which could also be used at Wal-Mart. The credit card can also include tax exempt status for all school purchases.

Ms. Norwood asked if the Governing Board would impose a limit on the credit card. Ms. Jordan recommended that the school consider a \$5,000 limit on the credit card for any school purchases. Mr. Abelman asked what the card would be used for. Mr. Law explained it would only be used for school supplies.

Ms. Moore moved to accept that the Governing Board apply for a Sam's Club credit card in the name of Quest Academy. The card would have up to a \$5,000 limit for any one person. Mr. Law seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

6. Athletic Program Report - Ms. Jordan introduced Coach Ennis Wesley to give the Governing Board an overview of the high school athletic program. He also introduced Brian Sitter who is the head of the Girls' Basketball program. He explained that Quest Preparatory High School has applied to become a member of the NIAA. While they await approval, Coach Wesley has scheduled games for the athletes. They hope to have between 18 and 30 games scheduled for both the boys' and girls' basketball teams. Coach Wesley has a meeting with the NIAA board on October 1st & 2nd, 2012 in Reno.

Ms. Norwood asked about the athletic eligibility requirements. She asked Coach Wesley that since it was Quest's first year, incoming seniors would not have to sit out a year of athletics. He confirmed that she was correct.

She also asked if a student wanted to play a sport not offered at Quest, could they play at their zoned school. Ms. Jordan stated that students should be allowed to do so, however the CCSD schools are making it difficult for the students to play at their zoned school.

Coach Wesley explained that all games would be played at the Centennial YMCA.

Ms. Norwood asked how the out-of-state games would be funded. Ms. Jordan stated that she contacted the State and was informed that DSA funds could be used for all costs associated with the travel of athletes and staff.

Mr. Law commented on the article in the Review Journal about Coach Lockridge and the Quest athletics.

7. Lowe's Grant - Ms. Fuentes reminded board members about the technology grant that Quest received. Ms. Fuentes asked for a motion to approve the grant.

She explained that she hopes the kinder site will open on Wednesday, August 22nd, 2012 but if the facility will not be ready on time, she has a contingency plan in place.

High School - Ms. Jordan stated that Quest has spent \$117, 473.30 on tenant improvements. A detailed list of those tenant improvements is included in the board's packet. She explained that the school exceeded the April Capital Improvement Plan estimates for the startup of the high school and kinder sites. Quest will submit an updated copy to the state.

Mr. Law explained that the city recommended that SH Architecture remove the Phase II building from the blue prints. If there is a need in the community for the additional building in Phase II, SH will put the building back onto the plans and resubmit the plans to the city.

4. **Distance Education:** - Ms. Jordan introduced Julia Surina who established the online Distance Education program for Quest Preparatory High School.

Ms. Surina described a company called Compass Learning that provides online distance education. She recommended the Compass Learning program because it's less expensive and offers other services that complement the services/program offered by Connections Learning company.

She explained that she verified with the state that Quest may charge parents for the cost of the online courses, but the decision is up to the school.

Ms. Surina also explained that Quest needs to track each student who attends the online courses.

Ms. Norwood asked if either program tracks how long a student is online on their programs. Ms. Surina confirmed that yes, students' time is tracked when they are online.

Ms. Norwood asked about the Connections Licensed Teachers, if they are located in Las Vegas. Ms. Surina explained that the teachers are not located in Las Vegas, they can be anywhere in the country. She also explained that their support department is located outside Nevada.

Ms. Moore asked if there would be any more details and Mr. Law explained that the Governing Board would get detailed cost breakdown in her packet.

Mr. Abelman asked if there were any action items on the agenda for this meeting. Mr. Law stated that the Governing Board would be voting on Compass Learning. He stated that at the last meeting, the board approved Connections Academy for the online program.

Ms. Fuentes asked Ms. Jordan about offering free classes to families in need. If parents could not afford any of these classes, what will Quest offer. Ms. Jordan said she will draw up a policy for Governing Board approval. Ms. Jordan said the classes will be offered to students who can afford the classes.

Quest Academy
Governing Board Meeting Minutes
Monday, August 13th, 2012

General Meeting of the Governing Board

Meeting was called to order at 6:09 p.m.

Board Members present: Christina Fuentes, Berta Norwood, Vernon Law, Beverly Moore (via phone) and Marc Abelman (via phone)

Board Members absent: none

School administration present: Connie Jordan - Principal, Kaide Dodson, Assistant Principal, Lucretia Glidewell - Financial Consultant

Guests: Julia Surina, Athletic Director Ennis Wesley, Coach Brain Sitter, Coach Gregory Lockridge

1. Approval of Minutes. Ms. Fuentes asked board members if they had any changes to the minutes or could vote to approve.

Ms. Norwood moved to approve the minutes from the July 23rd, 2012 Governing Board meetings with any necessary changes. Mr. Law seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

Mr. Law moved to approve the minutes from the August 2nd, 2012 Governing Board meetings with minor the typographical corrections. Ms. Moore seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

2. Public Comments. There were no public comments at this time.

3. Facility Committee Report.

Permanent Site - Connie Jordan referred board members to the blue prints from SH Architecture for the future site. The facility will accommodate 1200 students. Some members of the Quest staff have looked at the plans to offer any input. Ms. Jordan invited board members to contact her with any input or questions.

Ms. Jordan explained that August 23rd, 2012 is the deadline for SH Architecture to submit these plans to the city.

The facility will include a fully accredited basketball gym. Ms. Jordan explained that if Quest can prove a need in the community for more room for additional students, then the expansion building will be added to the plans.

Kindergarten Facility - Connie Jordan discussed the status of the kindergarten facility. She updated Governing Board members on the costs associated with the startup of kindergarten. To date, Quest has spent over \$180,000 in tenant improvements and the deposit. The deposit on the kinder site was \$118,863.05 and approximately \$62,000 was for tenant improvements.

Ms. Norwood moved to amend the Governing Board Bylaws to add language regarding the number of members who can serve on the Governing Board. The number of members can increase from 5 members to 9 members and will include 2 honorary members; 1 voting and 1 non-voting honorary member. Mr. Law seconded. Motion passed, 5 in favor 0 opposed.

4. **Principal's Report:** - Ms. Jordan informed Governing Board members that she has hired a consultant to help Quest create an on-line course program for the high school. Adding this option would require an amendment to the school's charter.

Mr. Abelman asked how the on-line courses would work. Ms. Jordan explained that Quest teachers would teach the courses, however she can not proceed with hiring staff for the on-line courses until the program is accepted by the state per an amendment to the school's charter. She emphasized that in order to implement such a program, the Governing Board would need to approve an amendment to the charter.

Ms. Norwood asked when the program would be implemented. Ms. Jordan explained that it could be implemented in the 2012-13 school year if the amendment request is submitted quickly to the state.

Ms. Norwood moved to amend the school's charter to implement an on-line course program for the 2012-13 school year for the high school only. Ms. Moore seconded the motion. Motion was approved by the board 5 in favor, 0 oppose.

Ms. Jordan also informed board members that she has scheduled a team building event for the staff for the 2012-13 school year. The event will be a golf tournament on Wednesday, August 15th at the Wild Horse Golf Course.

Ms. Jordan was pleased to announce that Quest received a \$41,000 technology grant from Lowes. She commended the administrative team and Ms. Hosh for applying for the grant.

9. **Public Comments:** Ms. Nunez asked if the State Authority Board will be approving the new permanent site. Mr. Klonoski stated that he will assure that all approvals will be made through each step of the building process.

Meeting was adjourned at 7:36 p.m.

Mr. Klonoski explained that Ms. Vitiello has submitted several documents to him that are needed to determine if Quest will receive bond funding. Mr. Klonoski anticipates approximately 45-60 days will be needed to receive the funding.

Mr. Carlson detailed the type of construction materials that will be used on the permanent facility and where costs can be reduced based on the type of materials utilized. Mr. Klonoski emphasized that he and SH Architecture have met frequently to select materials that will provide a good value for Quest.

Ms. Norwood asked about Waltz Construction and if they have built anything in Nevada. Mr. Klonoski said yes they have built in Nevada and that descriptions of their work are included in the Governing Board packets.

Mr. Abelman asked about Mr. Klonoski's fee as Project Manager. Mr. Klonoski stated that he will not bill Quest until the bond funding comes through and then he will bill the school.

Ms. Norwood moved to pay the \$27,593.90 to Korte Construction for the kindergarten site tenant improvements. Ms. Moore seconded the motion. Motion passed, 5 in favor 0 opposed.

Ms. Moore moved that Quest bring in Waltz Construction Company as the construction company to build the school at the permanent site. Ms. Norwood seconded the motion. Motion passed, 5 in favor 0 opposed.

Ms. Moore moved to accept Highmark's withdraw from working with Quest in an email sent by Glen to withdrawal their services from Quest. Mr. Abelman seconded the motion. Motion passed, 5 in favor 0 opposed.

Ms. Norwood moved to accept the Letter Of Intent from Jack Hollar for the purchase of the property for the permanent site. Ms. Moore seconded. Motion passed, 5 in favor 0 opposed.

Ms. Norwood moved to accept the teacher contracts for the school year August 2012-June 2013. Ms. Moore seconded. Motion passed, 5 in favor 0 opposed.

Ms. Moore moved to accept the Purchase Authorization Checklist as part of the Governing Board Policy Manual. Mr. Law seconded. Motion passed, 5 in favor 0 opposed.

Ms. Norwood moved to pre-approval for any travel expenditures as it relates to school staff, or governing board travel expenses for school business for the 2012-13 school year. Ms. Moore seconded. Motion passed, 5 in favor 0 opposed.

Ms. Moore moved to accept the stipend and extra duty pay language to be included in the Governing Board Policy Manual. Ms. Norwood seconded. Motion passed, 5 in favor 0 opposed.

High School Site - The high school is fully staffed. Ms. Glidewell and Ms. Vitiello are arranging for desks, tables etc. from Clark County and are being placed and organized at the high school facility. There are currently 105 students enrolled in the high school. There will also be a Cohort Program of 8th graders that will operate at the YMCA. There are 35 students enrolled in the Cohort Program. They will follow the high school calendar. Ms. Norwood asked how students are selected for the Cohort Program. Ms. Jordan stated that she contacted current families as well as families on the waiting list.

August 7th will be the Southern Nevada Health Department plan review for the high school. Ms. Jordan has asked SH Architecture to try getting an earlier date for the plan review.

Mr. Abelman asked about implementing basketball at the high school as a marketing tool. Ms. Jordan introduced the coaches and explained the basketball program.

Permanent Site - Jason Klonoski and Curt Carlson explained that Highmark was the developer at the time. Highmark was in control of site that Quest wanted for the permanent site. Klonoski explained that after negotiation, Highmark would not proceed with the acquisition of the land and now Quest is in control of the land. Mr. Klonoski explained that attorney Terry Warren will act on behalf of Quest to secure funding for the property for the permanent site. An LOI has been submitted to the owners of the property. Ms. Fuentes signed that letter last week.

There was a question from Mr. Abelman about where the funding for the ownership of the land is coming from. In the next 120 days, there will be several meetings to get zoning approval and get all the information necessary for bond approval. RBC bank will be involved in the bond funding for the land. A lawyer retained on behalf of Quest will be reviewing the land contract in order to determine what procedures should be taken.

Curt Carlson explained that the original plans for the permanent site will still be used for the new property. He also explained that he and Marc Abelman attended a city meeting where they were told that certain permits were needed in order to get to the next step of the procedures for the land. He also went into detail about the requirements they were given at this meeting.

Mr. Carlson also talked about the measurements and requirements for the high school portion of the permanent facility. He also explained that there will be 40 classrooms measuring 800 square foot each as well as a Resource center and potential future expansion of an additional 13 classrooms.

The preliminary neighborhood meeting will take place on August 2nd. The official submittal to the city of detailed drawings will also take place in August. The planning commission meeting will be held the first week of October and then the city council meeting will be held in November. If this schedule is followed, building should start after the first of the year. Mr. Carlson talked about what still needs to be done and what is still needed in order to follow the schedule and how long each step should take.

Quest Academy
Governing Board Meeting Minutes
Monday, July 23rd, 2012

General Meeting of the Governing Board

Meeting was called to order at 6:08 p.m.

Board Members present: Christina Fuentes, Berta Norwood, Vernon Law (via phone), Beverly Moore, Marc Abelman

Board Members absent: none

School administration present: Connie Jordan - Principal, Kaide Dodson, Assistant Principal, Robin Vitiello - Business Manager, Lucretia Glidewell - Financial Consultant

Guests: Jason Klonoski, Curt Carlson, Ennis Wesley, Gregory Lockridge

1. **Approval of Minutes.** Ms. Fuentes asked board members if they had any changes to the minutes or could vote to approve.

Ms. Moore moved to approve the minutes from the June 25th and 30th, 2012 Governing Board meetings with minor the typographical corrections. Ms. Norwood seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

2. **Public Comments.** Marc Abelman wants to assign specific descriptions and roles for the Treasure and talk to Connie about getting a second signature on the bank account for the treasurer. Any emails regarding Marc Abelman's job or concerns will be forwarded to him by Ms. Moore. Mr. Abelman stated that he has not set up his password on the Quest Academy email account. Vernon Law explained that he would like to get a governing board server network setup that contains all information about agendas, meetings etc.

Ms. Norwood recommended that when the Governing Board attend their annual retreat, all members look at all board job descriptions.

3. **Facility Committee Report.**

Kindergarten Site - Connie Jordan discussed the status of the kindergarten facility. She explained that the final building plans have been completed and approved. The kindergarten building will hold 67 students. The total kindergarten students accepted is 104. The remaining 37 will be transferred to the main campus once school starts. Tenant improvements will be starting with Korte for the kindergarten facility. Cash flow analysis shows that \$80,000 is the total amount of money used on tentative improvements for the kindergarten facility. A classroom Aide will be hired to watch the kindergarteners that will be held in the extra room at the main campus. Ms. Fuentes asked if kindergarten families have been notified of the change. Ms. Jordan said they would be contacted next week. Quest transferred \$118,863.05 was wired to Meadows Bank into the escrow account so the school could get the key to the facility.

Ms. Jordan informed board members that she has scheduled a flight for Mr. Law to return from out of state back to Las Vegas for Facility Meetings on Thursday, June 28, 2012. The cost of the flight is \$164.00.

Ms. Jordan asked board members to select the dates for the 2012-13 Governing Board meetings. The board agreed to meet on the 4th Monday of each month and if there are conflicts, they will reschedule. Ms. Jordan stated that she will set their annual calendar and submit it to the State through AOIS.

Ms. Jordan informed board members that Quest was able to acquire discounted - and in some cases, free - furniture from the CCSD warehouse. Quest spent approximately \$23,000 for furniture for all three school sites.

9. **Public Comments:** Ms. Glidewell informed board members that she, Ms. Vitiello and Ms. Jordan attended the annual CSAN and NASA conferences in Lake Tahoe in June, 2012. Ms. Glidewell will submit a report about the conference to Governing Board members.

Ms. Jordan said that all of her staff have been very helpful in getting all the schools operational.

Ms. Norwood stated that the pastor at her church recognized an outstanding student on Sunday. Ms. Norwood was proud to say that the student attends Quest Academy.

Meeting was adjourned at 6:50 p.m.

- 5. Facility Committee Meeting:** Ms. Jordan explained that Boyd Construction gave Quest a copy of the Certificate of Occupancy for the high school located inside the Meadows YMCA. Ms. Jordan will forward a copy of the Certificate of Occupancy to the State Public Charter School Authority.

Ms. Jordan also explained that Korte Construction will begin the tenant improvements once escrow closes. Meadows Bank is seeking a motion and approval to have two members from the Governing Board sign the loan documents for the kindergarten facility. Ms. Vitiello submitted the same names of Governing Board members who are currently authorized to sign checks at Meadows Bank. Those members are: Christina Fuentes, President and Marc Abelman, Board Member. Ms. Jordan asked for a motion to approve those two names as signers on the kindergarten bank loan documents.

Mr. Law moved to accept Ms. Fuentes and Mr. Abelman as signers on the loan documents for Meadows Bank for the purchase of the kindergarten facility. Ms. Norwood seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

Ms. Glidewell informed board members that she will submit the County Assessor paperwork for tax exemption at the kindergarten facility.

Ms. Jordan explained that Quest has received a letter from Dr. Steve Canavero that the amendment to the Quest charter is official.

Ms. Jordan explained that she is still interviewing for a math teacher for the high school, but all other high school positions have been filled.

Mr. Law recommended that Quest hire Jason Klonoski as a Project Manager to oversee the acquisition and development of the permanent site for the school.

Ms. Norwood moved that Quest hire Jason Klonoski as Project Manager to oversee the future, permanent home of Quest. Mr. Law seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

Kindergarten Facility: The attorney has been given a copy of the security interest language which was provided to Quest by the State. This language will be created and recorded and a copy submitted to the State after the close of escrow.

There is a State Charter School Authority meeting on Friday, June 27, 2012. Ms. Jordan requested that any Quest Governing Board members who are able to attend, please do so.

- 6. Principal's Report:** - Ms. Fuentes informed board members that they need to move and approve the annual board retreat.

Ms. Norwood moved to accept the 2012-13 Governing Board retreat in Denver. Ms. Moore seconded the motion. Motion was approved by the board 4 in favor, 0 oppose

Quest Academy
Governing Board Meeting Minutes
Monday, June 25, 2012

General Meeting of the Governing Board

Meeting was called to order at 6:10 p.m.

Board Members present: Christina Fuentes, Berta Norwood, Vernon Law (via phone), Beverly Moore

Board Members absent: Marc Abelman

School administration present: Connie Jordan - Principal, Robin Vitiello - Business Manager, Lucretia Glidewell - Financial Consultant, Shawna Rice - Dean of Students, Marivelle Nunez

1. **Approval of Minutes.** Ms. Fuentes asked board members if they had any changes to the minutes or could vote to approve.

Ms. Norwood moved to approve the minutes from the April 2012 Governing Board meeting with corrections that had been made. Ms. Moore seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

Ms. Moore moved to approve the May, 2012 minutes with any necessary corrections if found. Ms. Norwood seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

2. **Public Comments.** There were no public comments.

3. **Finance Report.** Ms. Jordan reviewed the monthly Cash Flow with board members. She explained that she has allocated approximately \$170,000 for any additional tenant improvements for the coming months. Ms. Glidewell explained that the school can expect a surplus of \$698,000 at the end of the 2011-12 fiscal year.

Coulson & Associates, CPAs have submitted their Engagement Letter to Quest Academy to conduct their annual audit for the 2011-12 fiscal year. The date for the audit has not yet been determined. The cost for the annual audit will be approximately \$9000 - \$11,000.

Ms. Norwood moved to accept Coulson & Associates to conduct the Quest annual financial audit for the 2011-12 fiscal year. Mr. Law seconded the motion. Motion was approved by the board 4 in favor, 0 oppose.

4. **Bylaws:** Ms. Fuentes explained that the school's attorney is reviewing the Quest Bylaws and will amend the bylaws to clarify Governing Board membership. The attorney will amend and return them to the Quest Governing Board for review. Ms. Jordan explained that if Quest Academy is endorsed by Team CFA, they will ask that a member of their organization hold a board seat on the Quest Governing Board. The forthcoming amendments will also address board member requirements.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Minimum level of expenditures for items classified as capital projects

(Per NRS 354.5945)
 \$5,000
 \$25,000

Entity: Quest Academy Preparatory Education
 Due Date:

Fund:	General	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
Capital Improvement (description of item)	High School Expansion - T1's 7 Classrooms	100,000				
Funding Source:	Building Reserve	BR - General Rev				
Completion Date:	Aug-12					
Fund Total		\$ 100,000	\$ -	\$ -	\$ -	\$ -

Fund:	General	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
Capital Improvement:	Kindergarten - T1's 4 Classrooms	90,000	24,000	24,000	24,000	24,000
Funding Source:	Building Payments	C BR - General Rev				
Completion Date:	Contingency & Building Reserve					
	Aug-12					
Fund Total		\$ 90,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000

Fund:	General	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
Capital Improvement:	K-12 Re-Location		500,000			
Funding Source:	Building Payments	C BR - General Rev				
Completion Date:	Contingency & Building Reserve, General					
Fund Total		\$ -	\$ 500,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000

- List of Funding Sources:
 General Revenues
 Charges for Services
 Debt (Please Describe)
 Grants
 Other (Please describe)

TOTAL FACILITY OPERATING EXPENSES				\$ 495,000
FACULTY DEVELOPMENT				
Professional Development (includes travel exp and conferences)	100,000		5,000	
Staff Development Wednesdays	8,000		2,000	
Sub-total Faculty Development				\$ 115,000
Marketing & Enrollment Expenses				
Marketing	10,000		2,000	
Recruitment Advertising	1,500		500	
School Orientation	5,000		2,000	
Sub-total Marketing & Enrollment Exp				\$ 21,000
State Sponsor Fee -1.5%	10,617	3,706	18,436	132,759
Tenant Improvements/Warranty				
Facility/Real Estate				
Base Rent/Lease	104,000	24,000	180,000	
Property Taxes	Exempt	Exempt	Exempt	
TOTAL FACILITY EXPENSES				\$ 1,244,000
Total Operating Expenses	7,032,104	395,518	1,206,299	8,633,921
3% Contingency of Expenses Reserve	210,963		36,189	
Building Fund 2% of Expenses Reserve	140,642			
TOTAL EXPENSES WITH RESERVES	7,383,709	395,518	1,242,487	8,387,794
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
Net Surplus Before Reserves	655,912	(140,473)	40,781	557,220
Net Surplus After Reserves	\$ 305,307	\$ (140,473)	\$ 4,593	\$ 169,426

Special Ed Contract Services	150,000	5,000	15,000
Textbooks K-12	25,000		10,000
Textbooks Summer School K-12			
Title 1 Materials		2,000	
Classroom Supplies K-12	55,000	4,000	4,000
Classroom Equipment	15,000		5,000
CRT tutoring	15,000		10,000
Software License Agreement	50,000		15,000
IT Consultant	55,000		5,000
PE Consultant	35,000		30,000
Summer School Supplies & Purchased Serv Snacks	5,000		
Media/Library Materials	5,000		
Field Trips & Awards	30,000		5,000
Other Various Fundraising Expenses			
Assessment Materials	50,000		10,000
Other Summer School Exps	15,000		
Sports Contracts	30,000		40,000
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			\$ 828,000
GENERAL AND ADMINISTRATIVE			
Telecommunications	18,000	5,000	5,000
Internet Service (ISP)	15,000	5,000	5,000
Copier Maintenance & Supplies	30,000	5,000	10,000
Liability Insurance Premium	50,000	8,000	10,000
D&O, Professional Insurance	15,000		
Consultants	250,000		
Independent Audit	45,000		
Security Officer			30,000
Office Supplies	30,000	1,500	6,000
Legal Fees	20,000		
Dues and Fees	1,500		
Postage	20,000		1,000
Payroll Service	10,000	1,200	1,850
Governing Board Expenditures	25,000		
Other GB - travel	10,000		
After Care - After School Clubs	800		1,500
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		1,000
SUBTOTAL GENERAL AND ADMINISTRATIVE			\$ 641,850
FACILITY OPERATING EXPENSES			
Cafeteria Equipment	5,000		
Building Maintenance	20,000	2,500	
Landscaping	10,000		
Signage			
Janitorial Supplies	50,000	2,000	
Janitorial Services	150,000		
UTILITIES			
Electricity	100,000	2,500	
Water and Sewer	44,000	1,500	
Exterminating (Pest Control)	2,500	1,000	
Waste (Trash Removal)	30,000	3,500	
Building Monitoring System	15,000	500	
Miscellaneous Facility Costs	50,000	5,000	

Quest Budget Proposal 2017-18

	1st thru 10th	Kindergarten	High School	Total
Full Count	1,200	67	200	1,467
Weighted	1,200.0	40.2	200	1,440
DSA 5,136	6,163,200	206,467.20	1,027,200.00	7,396,867
Outside Revenue 1,009	1,211,280	40,577.88	201,880.00	1,453,738
FTE per student 6,145	6,145	6,145	6,145	6,145
FTE Generated Revenue -DSA Funding	7,374,480	247,045	1,229,080	8,850,605
Hold Harmless Revenue				
Transportation				
Title Funds				
Plus Charter School Outside Revenues				
State Mandated Reduction				
Sub-total State & Local Revenue-(DSA)	\$ 7,374,480	\$ 247,045	\$ 1,229,080	\$ 8,850,605
Special Education	79,536		10,000	
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,454,016	\$ 247,045	\$ 1,239,080	
SUPPLEMENTAL FEE REVENUE				
NSLP Food Service Revenue	65,000			
Other School Courses & Class Fees		8,000		
Student Activities Fundraisers	8,000		8,000	
Before/After School Care Contributions	55,000			
Other Local Revenue (Interest)				
Other Food Service Revenues (ie. Parent's)	70,000			
Donations	10,000			
Facility Rental Income	27,000			
Subtotal Supplemental Fee Revenue	\$ 235,000	\$ 8,000	\$ 8,000	
Grants & Initial Fees Revenue				
Federal Dissemination Grants				
Sub-total Grants & Initial Fees Revenue				
GROSS REVENUE	\$ 7,689,016	\$ 255,045	\$ 1,247,080	
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	9,191,141
EXPENSES				
Salaries & Benefits	3,924,437	287,862	671,512	
Incentives	100,000	25,000	10,000	
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				4,998,812
OTHER SCHOOL SERVICES				
Food Service	100,000	15,000	30,000	
Transportation (Staff Travel)	5,000	15,000	3,000	
Nurse/Health Aide Supplies & Software	1,250	250	1,500	
SUBTOTAL OTHER SCHOOL SERVICES				157,500
DIRECT EDUCATIONAL EXPENSES				
New Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	10,000	1,000	5,000	
Classroom Computers/Instr Hardware	10,000	2,000	5,000	
Elective Contract Services	50,000		50,000	

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SUBTOTAL FACILITY OPERATING EXPENSES				\$ 495,000
FACULTY DEVELOPMENT				
Professional Development (Includes travel exp and conferences)	100,000			5,000
Staff Development Wednesdays	8,000			2,000
Sub-total Faculty Development				\$ 145,000
Marketing & Enrollment Expenses				
Marketing	10,000			2,000
Recruitment Advertising	1,500			500
School Orientation	5,000			2,000
Sub-total Marketing & Enrollment Exp				21,000
State Sponsor Fee -1.5%	110,617	3,706	18,436	132,759
Tenant Improvements/Warranty				
Facility/Real Estate				
Base Rent/Lease	1040,000	24,000	180,000	
Property Taxes	Exempt	Exempt	Exempt	
TOTAL FACILITY EXPENSES				1,244,000
Total Operating Expenses	7,032,104	395,518	1,206,299	8,633,921
3% Contingency of Expenses Reserve	210,963		36,189	
Building Fund 2% of Expenses Reserve	140,642			
TOTAL EXPENSES WITH RESERVES	7,383,709	395,518	1,242,487	8,981,714
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
Net Surplus Before Reserves	666,912	(140,473)	40,781	557,220
Net Surplus After Reserves	\$ 305,307	\$ (140,473)	\$ 4,593	\$ 169,426

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Special Ed Contract Services	150,000	5,000	15,000
Textbooks K-12	25,000		10,000
Textbooks Summer School K-12			
Title 1 Materials		2,000	
Classroom Supplies K-12	55,000	4,000	4,000
Classroom Equipment	15,000		5,000
CRT tutoring	15,000		10,000
Software License Agreement	50,000		15,000
IT Consultant	55,000		5,000
PE Consultant	35,000		30,000
Summer School Supplies & Purchased Serv Snacks	5,000		
Media/Library Materials	5,000		
Field Trips & Awards	30,000		5,000
Other Various Fundraising Expenses			
Assessment Materials	50,000		10,000
Other Summer School Exps	15,000		
Sports Contracts	30,000		40,000
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			828,000
GENERAL AND ADMINISTRATIVE			
Telecommunications	18,000	5,000	5,000
Internet Service (ISP)	15,000	5,000	5,000
Copier Maintenance & Supplies	30,000	5,000	10,000
Liability Insurance Premium	50,000	8,000	10,000
D&O, Professional Insurance	15,000		
Consultants	250,000		
Independent Audit	45,000		
Security Officer			30,000
Office Supplies	30,000	13,500	6,000
Legal Fees	20,000		
Dues and Fees	14,500		
Postage	20,000		1,000
Payroll Service	10,000	1,200	1,850
Governing Board Expenditures	25,000		
Other GB - travel	10,000		
After Care - After School Clubs	800		1,500
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		1,000
SUBTOTAL GENERAL AND ADMINISTRATIVE			641,850
FACILITY OPERATING EXPENSES			
Cafeteria Equipment	5,000		
Building Maintenance	20,000	2,500	
Landscaping	10,000		
Signage			
Janitorial Supplies	50,000	2,000	
Janitorial Services	150,000		
UTILITIES			
Electricity	100,000	2,500	
Water and Sewer	44,000	1,500	
Exterminating (Pest Control)	2,500	1,000	
Waste (Trash Removal)	30,000	3,500	
Building Monitoring System	15,000	500	
Miscellaneous Facility Costs	50,000	5,000	

Quest Budget Proposal 2016-17

	1st thru 10th	Kindergarten	High School	Total	
Full Count	1,200	67	200	1,467	
Weighted	1,200.0	40.2	200	1,440	
DSA	5,136	6,163,200	206,467.20	1,027,200.00	7,396,867
Outside Revenue	1,009	1,211,280	40,577.88	201,880.00	1,453,738
FTE per student	6,145	6,145	6,145	6,145	6,145
FTE Generated Revenue -DSA Funding	7,374,480	247,045	1,229,080	8,850,605	
Hold Harmless Revenue					
Transportation					
Title Funds					
Plus Charter School Outside Revenues					
State Mandated Reduction					
Sub-total State & Local Revenue-(DSA)	\$ 7,374,480	\$ 247,045	\$ 1,229,080	\$ 8,850,605	
Special Education	79,536		10,000		
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,454,016	\$ 247,045	\$ 1,239,080		
SUPPLEMENTAL FEE REVENUE					
NSLP Food Service Revenue	65,000				
Other School Courses & Class Fees		8,000			
Student Activities Fundraisers	8,000		8,000		
Before/After School Care Contributions	55,000				
Other Local Revenue (Interest)					
Other Food Service Revenues (ie. Parent's)	70,000				
Donations	10,000				
Facility Rental Income	27,000				
Subtotal Supplemental Fee Revenue	\$ 235,000	\$ 8,000	\$ 8,000		
Grants & Initial Fees Revenue					
Federal Dissemination Grants					
Sub-total Grants & Initial Fees Revenue					
GROSS REVENUE	\$ 7,689,016	\$ 255,045	\$ 1,247,080		
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	9,191,141	
EXPENSES					
Salaries & Benefits	3,924,437	287,862	671,512		
Incentives	100,000	5,000	10,000		
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				\$ 4,998,812	
OTHER SCHOOL SERVICES					
Food Service	100,000	15,000	30,000		
Transportation (Staff Travel)	5,000	1,500	3,000		
Nurse/Health Aide Supplies & Software	1,250	250	1,500		
SUBTOTAL OTHER SCHOOL SERVICES				\$ 137,500	
DIRECT EDUCATIONAL EXPENSES					
New Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	10,000	13,000	35,000		
Classroom Computers/Instr Hardware	10,000	23,000	5,000		
Elective Contract Services	50,000		50,000		

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UBTOTAL FACILITY OPERATING EXPENSES				\$ 505,000
FACULTY DEVELOPMENT				
Professional Development (includes travel exp and conferences)	100,000			5,000
Staff Development Wednesdays	8,000			2,000
Sub-total Faculty Development				\$ 115,000
Marketing & Enrollment Expenses				
Marketing	10,000			2,000
Recruitment Advertising	1,500			500
School Orientation	5,000			2,000
Sub-total Marketing & Enrollment Exp				21,000
State Sponsor Fee -1.5%	140,617	37,063	18,436	132,759
Tenant Improvements/Warranty				
Facility/Real Estate				
Base Rent/Lease	1,040,000	24,000	180,000	
Property Taxes	Exempt	Exempt	Exempt	
TOTAL FACILITY EXPENSES				1,244,000
Total Operating Expenses	6,906,825	378,994	1,167,751	8,453,570
3% Contingency of Expenses Reserve	207,205		35,033	
Building Fund 2% of Expenses Reserve	138,137			
TOTAL EXPENSES WITH RESERVES	7,252,167	378,994	1,202,783	8,803,374
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
Net Surplus Before Reserves	782,191	(123,949)	79,329	737,571
Net Surplus After Reserves	436,849	(123,949)	44,297	357,197

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Special Ed Contract Services	150,000	5,000	15,000
Textbooks K-12	85,000		10,000
Textbooks Summer School K-12			
Title 1 Materials		2,000	
Classroom Supplies K-12	55,000	4,000	4,000
Classroom Equipment	15,000		5,000
CRT tutoring	15,000		10,000
Software License Agreement	50,000		15,000
IT Consultant	55,000		5,000
PE Consultant	35,000		30,000
Summer School Supplies & Purchased Serv Snacks	15,000		
Media/Library Materials	5,000		
Field Trips & Awards	30,000		5,000
Other Various Fundraising Expenses			
Assessment Materials	50,000		10,000
Other Summer School Exps	15,000		
Sports Contracts	30,000		40,000
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			\$ 918,000

GENERAL AND ADMINISTRATIVE

Telecommunications	18,000	5,000	5,000
Internet Service (ISP)	15,000	5,000	5,000
Copier Maintenance & Supplies	30,000	5,000	10,000
Liability Insurance Premium	50,000	8,000	10,000
D&O, Professional Insurance	15,000		
Consultants	250,000		
Independent Audit	45,000		
Security Officer			30,000
Office Supplies	30,000	14,500	6,000
Legal Fees	20,000		
Dues and Fees	1,500		
Postage	20,000		1,000
Payroll Service	10,000	1,200	1,850
Governing Board Expenditures	25,000		
Other GB - travel	10,000		
After Care - After School Clubs	800		1,500
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		1,000
SUBTOTAL GENERAL AND ADMINISTRATIVE			\$ 641,850

FACILITY OPERATING EXPENSES

Cafeteria Equipment	15,000		
Building Maintenance	20,000	2,500	
Landscaping	10,000		
Signage			
Janitorial Supplies	50,000	2,000	
Janitorial Services	150,000		
UTILITIES			
Electricity	100,000	2,500	
Water and Sewer	44,000	1,500	
Exterminating (Pest Control)	2,500	1,000	
Waste (Trash Removal)	30,000	3,500	
Building Monitoring System	15,000	500	
Miscellaneous Facility Costs	50,000	5,000	

Quest Budget Proposal 2015-16

	1st thru 10th	Kindergarten	High School	Total
Full Count	1,200	67	200	1,467
Weighted	1200.0	40.2	200	1,440
DSA	5,136	206,467.20	1,027,200.00	7,396,867
Outside Revenue	1,009	40,577.88	201,880.00	1,453,738
FTE per student	6,145	6,145	6,145	6,145
FTE Generated Revenue -DSA Funding	7,374,480	247,045	1,229,080	8,850,605
Hold Harmless Revenue				
Transportation				
Title Funds				
Plus Charter School Outside Revenues				
State Mandated Reduction				
Sub-total State & Local Revenue-(DSA)	\$ 7,374,480	\$ 247,045	\$ 1,229,080	\$ 8,850,605
Special Education	79,536		10,000	
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,454,016	\$ 247,045	\$ 1,239,080	
SUPPLEMENTAL FEE REVENUE				
NSLP Food Service Revenue	65,000			
Other School Courses & Class Fees		8,000		
Student Activities Fundraisers	8,000		8,000	
Before/After School Care Contributions	55,000			
Other Local Revenue (Interest)				
Other Food Service Revenues (ie. Parent's)	70,000			
Donations	10,000			
Utility Rental Income	27,000			
Subtotal Supplemental Fee Revenue	\$ 235,000	\$ 8,000	\$ 8,000	
Grants & Initial Fees Revenue				
Federal Dissemination Grants				
Sub-total Grants & Initial Fees Revenue				
GROSS REVENUE	\$ 7,689,016	\$ 255,045	\$ 1,247,080	
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
EXPENSES				
Salaries & Benefits	3,699,158	271,338	632,965	
Incentives	\$ 100,000	\$ 5,000	\$ 10,000	
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				\$ 4,718,461
OTHER SCHOOL SERVICES				
Food Service	100,000	15,000	30,000	
Transportation (Staff Travel)	5,000	1,500	3,000	
Nurse/Health Aide Supplies & Software	1,250	250	1,500	
SUBTOTAL OTHER SCHOOL SERVICES				\$ 157,500
DIRECT EDUCATIONAL EXPENSES				
Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	25,000	1,000	5,000	
Classroom Computers/Instr Hardware	25,000	2,000	5,000	
Elective Contract Services	50,000		50,000	

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SUBTOTAL FACILITY OPERATING EXPENSES				\$ 510,000
FACULTY DEVELOPMENT				
Professional Development (includes travel exp and conferences)	100,000		5,000	
Staff Development Wednesdays	8,000		2,000	
Sub-total Faculty Development				\$ 115,000
Marketing & Enrollment Expenses				
Marketing	20,000		2,000	
Recruitment Advertising	1,500		500	
School Orientation	5,000		2,000	
Sub-total Marketing & Enrollment Exp				\$ 31,000
State Sponsor Fee -1.5%	110,617	37,066	18,436	132,759
Tenant Improvements/Warranty				
Facility/Real Estate				
Base Rent/Lease	1,040,000	24,000	180,000	
Property Taxes	Exempt	Exempt	Exempt	
TOTAL FACILITY EXPENSES				\$ 1,244,000
Total Operating Expenses	6,879,083	371,091	1,149,315	8,399,489
3% Contingency of Expenses Reserve	206,372		34,479	
Building Fund 2% of Expenses Reserve	137,582			
TOTAL EXPENSES WITH RESERVES	7,223,037	371,091	1,183,795	8,778,123
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
Net Surplus Before Reserves	809,933	(116,045)	97,765	791,653
Net Surplus After Reserves	\$ 465,979	\$ (116,045)	\$ 63,285	\$ 413,219

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Special Ed Contract Services	150,000	5,000	15,000
Textbooks K-12	85,000		10,000
Textbooks Summer School K-12			
Title 1 Materials		2,000	
Classroom Supplies K-12	50,000	4,000	4,000
Classroom Equipment	15,000		5,000
CRT tutoring	15,000		10,000
Software License Agreement	50,000		15,000
IT Consultant	55,000		5,000
PE Consultant	35,000		30,000
Summer School Supplies & Purchased Serv Snacks	5,000		
Media/Library Materials	5,000		
Field Trips & Awards	30,000		5,000
Other Various Fundraising Expenses			
Assessment Materials	50,000		10,000
Other Summer School Exps	15,000		
Sports Contracts	30,000		40,000
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			983,000
GENERAL AND ADMINISTRATIVE			
Telecommunications	18,000	5,000	5,000
Internet Service (ISP)	15,000	5,000	5,000
Copier Maintenance & Supplies	30,000	5,000	10,000
Liability Insurance Premium	50,000	8,000	10,000
D&O, Professional Insurance	15,000		
Consultants	250,000		
Independent Audit	45,000		
Security Officer			30,000
Office Supplies	30,000	1,500	6,000
Legal Fees	20,000		
Dues and Fees	1,500		
Postage	20,000		1,000
Payroll Service	10,000	1,200	1,850
Governing Board Expenditures	25,000		
Other GB - travel	10,000		
After Care - After School Clubs	800		1,500
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		1,000
SUBTOTAL GENERAL AND ADMINISTRATIVE			641,850
FACILITY OPERATING EXPENSES			
Cafeteria Equipment	20,000		
Building Maintenance	20,000	2,500	
Landscaping	10,000		
Signage			
Janitorial Supplies	50,000	2,000	
Janitorial Services	150,000		
UTILITIES			
Electricity	100,000	2,500	
Water and Sewer	44,000	1,500	
Exterminating (Pest Control)	2,500	1,000	
Waste (Trash Removal)	30,000	3,500	
Building Monitoring System	15,000	500	
Miscellaneous Facility Costs	50,000	5,000	

Quest Budget Proposal 2014-15

	1st thru 10th	Kindergarten	High School	Total
Full Count	1,200	67	200	1,467
Weighted	1,200.0	40.2	200	1,440
DSA	5,136	6,163,200	206,467,200	1,027,200,000
Outside Revenue	1,009	1,211,280	40,577,388	201,880,000
FTE per student	6,145	6,145	6,145	6,145
FTE Generated Revenue - DSA Funding	7,374,480	247,045	1,229,080	8,850,605
Hold Harmless Revenue				
Transportation				
Title Funds				
Plus Charter School Outside Revenues				
State Mandated Reduction				
Sub-total State & Local Revenue-(DSA)	\$ 7,374,480	\$ 247,045	\$ 1,229,080	\$ 8,850,605
Special Education	79,536		10,000	
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,454,016	\$ 247,045	\$ 1,239,080	
SUPPLEMENTAL FEE REVENUE				
NSLP Food Service Revenue	65,000			
Other School Courses & Class Fees		8,000		
Student Activities Fundraisers	8,000		8,000	
Before/After School Care Contributions	55,000			
Other Local Revenue (Interest)				
Other Food Service Revenues (ie. Parent's)	70,000			
Donations	10,000			
Facility Rental Income	27,000			
Subtotal Supplemental Fee Revenue	\$ 285,000	\$ 8,000	\$ 8,000	
Grants & Initial Fees Revenue				
Federal Dissemination Grants				
Sub-total Grants & Initial Fees Revenue				
GROSS REVENUE	\$ 7,689,016	\$ 255,045	\$ 1,247,080	
Net School Revenue	\$ 7,689,016	\$ 255,045	\$ 1,247,080	\$ 9,191,141
EXPENSES				
Salaries & Benefits	3,591,416	263,435	261,529	
Incentives	100,000	15,000	10,000	
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				\$ 4,584,380
OTHER SCHOOL SERVICES				
Food Service	100,000	15,000	30,000	
Transportation (Staff Travel)	5,000	1,500	3,000	
Nurse/Health Aide Supplies & Software	1,250	250	1,500	
SUBTOTAL OTHER SCHOOL SERVICES				\$ 157,500
DIRECT EDUCATIONAL EXPENSES				
New Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	75,000	1,000	5,000	
Classroom Computers/Insr Hardware	45,000	2,000	5,000	
Elective Contract Services	50,000		50,000	

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TOTAL FACILITY OPERATING EXPENSES				\$ 640,000	7%
				621,500	
FACULTY DEVELOPMENT					
Professional Development (includes travel exp and conferences)	100,000		5,000		
Staff Development Wednesdays	8,000		2,000		
Sub-total Faculty Development				\$ 115,000	1%
Marketing & Enrollment Expenses				108,000	
Marketing	25,000		2,000		
Recruitment Advertising	1,500		250		
School Orientation	3,000		2,000		
				31,500	
Sub-total Marketing & Enrollment Exp				\$ 36,000	0%
State Sponsor Fee -1.5%	112,572	3,771	18,762	135,105	1%
Tenant Improvements/Warranty Facility/Real Estate					
Base Rent/Lease	1,040,000	24,000	150,000		
Property Taxes	Exempt	Exempt	Exempt		
TOTAL FACILITY EXPENSES				1,214,000	13%
Total Operating Expenses	7,206,433	360,483	1,145,392	8,712,309	93%
3% Contingency of Expenses Reserve	216,193		34,362		
Building Fund 2% of Expenses Reserve	144,129		22,908		
TOTAL EXPENSES WITH RESERVES	7,566,755	360,483	1,202,662	9,130,900	4%
Net School Revenue	\$ 7,821,336	\$ 259,411	\$ 1,270,800	\$ 9,351,547	
Net Surplus Before Reserves	614,903	(101,072)	125,408	639,239	7%
Net Surplus After Reserves	\$ 254,581	\$ (101,072)	\$ 68,198	\$ 221,647	2%

Special Ed Contract Services	150,000	5,000	15,000
Textbooks K-12	150,000		25,000
Textbooks Summer School K-12			
Title 1 Materials		2,000	
Classroom Supplies K-12	50,000	4,000	8,000
Classroom Equipment	15,000		5,000
CRT tutoring	15,000		10,000
Software License Agreement	50,000		15,000
IT Consultant	55,000		5,000
PE Consultant	35,000		30,000
Summer School Supplies & Purchased Serv Snacks	5,000		
Media/Library Materials	5,000		5,000
Field Trips & Awards	30,000		10,000
Other Various Fundraising Expenses			
Assessment Materials	50,000		10,000
Other Summer School Exps	15,000		
Sports Contracts	30,000		50,000
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			\$ 1,317,000 14%

1,055,000

GENERAL AND ADMINISTRATIVE

Telecommunications	18,000	5,000	5,000
Internet Service (ISP)	15,000	5,000	5,000
Copier Maintenance & Supplies	30,000	5,000	10,000
Liability Insurance Premium	50,000	5,000	10,000
D&O, Professional Insurance	15,000		
Consultants	250,000		
Independent Audit	75,000		
Security Officer			30,000
Office Supplies	30,000	1,500	10,000
Legal Fees	20,000		
Dues and Fees	1,500		
Postage	20,000		1,000
Payroll Service	10,000	1,200	2,500
Governing Board Expenditures	25,000		
Other GB - travel	10,000		
After Care - After School Clubs	800		1,500
OTHER			
PAC	2,000		
STUDENT COUNCIL	2,500		1,000
SUBTOTAL GENERAL AND ADMINISTRATIVE			\$ 643,500 7%

544,800

FACILITY OPERATING EXPENSES

Cafeteria Equipment	150,000		
Building Maintenance	20,000	2,500	
Landscaping	10,000		
Signage			
Janitorial Supplies	50,000	2,000	
Janitorial Services	150,000		
UTILITIES			
Electricity	100,000	2,500	
Water and Sewer	44,000	1,500	
Exterminating (Pest Control)	2,500	1,000	
Waste (Trash Removal)	30,000	3,500	
Building Monitoring System	15,000	500	
Miscellaneous Facility Costs	50,000	5,000	

Quest Budget Proposal 2013-14

	1st thru 10th	Kindergarten	High School	Total	
Full Count	1,200	67	200	1,467	
Weighted	1,200.0	40.2	200	1,440	
DSA	5,257	211,331.40	1,051,400.00	7,571,131	
Outside Revenue	997	40,079.40	199,400.00	1,435,879	
FTE per student	6,254	6,254	6,254	6,254	
					% of Revenue
FTE Generated Revenue -DSA Funding	7,504,800	251,411	1,250,800	9,007,011	
Hold Harmless Revenue					
Transportation					
Title Funds					
Plus Charter School Outside Revenues					
State Mandated Reduction					
Sub-total State & Local Revenue-(DSA)	\$ 7,504,800	\$ 251,411	\$ 1,250,800	\$ 9,007,011	
Special Education	79,536		10,000		
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 7,584,336	\$ 251,411	\$ 1,260,800		
SUPPLEMENTAL FEE REVENUE					
NSLP Food Service Revenue	65,000				
Other School Courses & Class Fees		8,000			
Student Activities Fundraisers	10,000		10,000		
Before/After School Care Contributions	60,000				
Other Local Revenue (Interest)					
Other Food Service Revenues (ie. Parent's)	65,000				
Donations	10,000				
Facility Rental Income	27,000				
Subtotal Supplemental Fee Revenue	\$ 237,000	\$ 8,000	\$ 10,000		
Grants & Initial Fees Revenue					
Federal Dissemination Grants					
Sub-total Grants & Initial Fees Revenue					
GROSS REVENUE	\$ 7,821,336	\$ 259,411	\$ 1,270,800		
Net School Revenue	\$ 7,821,336	\$ 259,411	\$ 1,270,800	9,351,547	
EXPENSES					
Salaries & Benefits	3,486,841	256,762	596,630		
Incentives	100,000	5,000	10,000		
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				\$ 4,454,203	48%
OTHER SCHOOL SERVICES					
Food Service	100,000	15,000	30,000		
Transportation (Staff Travel)	5,000	15,000	3,000		
Nurse/Health Aide Supplies & Software	1,250	250	1,500		
SUBTOTAL OTHER SCHOOL SERVICES				\$ 167,500	2%
				106,250	
DIRECT EDUCATIONAL EXPENSES					
Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	150,000	21,000	5,000		
Classroom Computers/Instr Hardware	200,000	2,000	5,000		
Elective Contract Services	50,000		50,000		

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SUBTOTAL FACILITY OPERATING EXPENSES				\$ 210,300	3%
FACULTY DEVELOPMENT					
Professional Development (includes travel exp and conferences)	45,000			5,000	
Staff Development Wednesdays	4,000			2,000	
Sub-total Faculty Development				\$ 56,000	1%
Marketing & Enrollment Expenses					
Marketing	25,000			2,000	
Recruitment Advertising	1,500			500	
School Orientation	5,000			2,000	
Sub-total Marketing & Enrollment Exp				\$ 36,000	1%
State Sponsor Fee -1.5%	69,251	377,131	17,073	90,095	1%
Permanent Facility - Potential Costs	500,000				
Facility/Real Estate	5,000				
Base Rent/Lease	559,200	21,600		100,000	
Property Taxes	Exempt	Exempt	Exempt		
TOTAL FACILITY EXPENSES				\$ 680,800	11%
Total Operating Expenses	4,290,790	289,339	1,316,356	5,896,485	92%
3% Contingency of Expenses Reserve	176,895				
Building Fund 2% of Expenses Reserve	117,930				
TOTAL EXPENSES WITH RESERVES	4,585,614	289,339	1,316,356	294,824	5%
Net School Revenue	\$ 4,976,055	\$ 266,411	\$ 1,148,228	\$ 6,390,694	
Net Surplus Before Reserves	585,265	(22,928)	(168,128)	494,208	8%
Net Surplus After Reserves	\$ 390,441	\$ (22,928)	\$ (168,128)	\$ 199,384	3%

Quest Budget Proposal 2012-2013

	1st thru 8th	Kindergarten	High School	Total	
Full Count	753	67	182	1,002	
Weighted	738.2	40.2	182	960.40	
DSA	5,257	2,113,317.40	956,774.00	5,048,823	
Outside Revenue	997	40,079.40	181,454.00	957,519	
FTE per student	6,254	6,254	6,254	6,254	
					% of Revenue
FTE Generated Revenue - DSA Funding	4,616,703	251,411	1,138,228	6,006,342	
Hold Harmless Revenue					
Transportation					
Title Funds					
Plus Charter School Outside Revenues					
State Mandated Reduction					
Sub-total State & Local Revenue-(DSA)	\$ 4,616,703	\$ 251,411	\$ 1,138,228	\$ 6,006,342	
Special Education	59,652				
SUBTOTAL DSA AND SPECIAL EDUCATION REVENUE	\$ 4,676,355	\$ 251,411	\$ 1,138,228		
SUPPLEMENTAL FEE REVENUE					
NSLP Food Service Revenue	50,000				
Other School Courses & Class Fees	3,700	7,000			
Student Activities Fundraisers	5,000		10,000		
Before/After School Care Contributions	55,000	3,600			
Other Local Revenue (Interest)					
Other Food Service Revenues (ie. Parent's)	58,000				
Donations					
Utility Rental Income	27,000				
Subtotal Supplemental Fee Revenue	\$ 198,700	\$ 10,600	\$ 10,000		
Grants & Initial Fees Revenue					
Lowes	41,000				
Sped Plan B - Digs	60,000				
Sub-total Grants & Initial Fees Revenue					
GROSS REVENUE	\$ 4,976,055	\$ 266,411	\$ 1,148,228		
Net School Revenue	\$ 4,976,055	\$ 266,411	\$ 1,148,228	\$ 6,390,694	
EXPENSES					
Salaries & Benefits	1,932,089	212,668	811,183		
Incentives	60,000	5,000	10,000		
SUBTOTAL SALARIES & BENEFITS OF ENTIRE STAFF				\$ 2,809,940	47%
OTHER SCHOOL SERVICES					
Food Service	128,000		30,000		
Transportation (Staff Travel)	5,000		3,000		
Nurse/Health Aide Supplies & Software	1,250	500	1,500		
SUBTOTAL OTHER SCHOOL SERVICES				\$ 169,250	3%
DIRECT EDUCATIONAL EXPENSES					
Equipment (Cafe tables, Kitchen Equip, Classroom Equip)	10,000		25,000		
Classroom Computers/Instr Hardware	25,000	5,000	30,000		
Elective Contract Services	10,000		20,000		

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Special Ed Contract Services	55,000	5,000	12,000	
Textbooks K-12	85,000		50,000	
Textbooks Summer School K-12				
Title 1 Materials				
Classroom Supplies K-12	5,000	4,000	8,000	
Classroom Equipment	2,500		10,000	
CRT tutoring	8,000		10,000	
Software License Agreement	25,000		15,000	
IT Consultant	45,000		21,600	
PE Consultant	20,000		15,000	
Summer School Supplies & Purchased Serv Snacks	1,000		-	
Media/Library Materials	2,500		5,000	
Field Trips & Awards	15,000		8,000	
Other Various Fundraising Expenses				
Assessment Materials	20,000		8,000	
Other Summer School Exps	10,500			
Sports Contracts	30,000		30,000	
SUBTOTAL DIRECT EDUCATIONAL EXPENSES			\$651,100	10%

GENERAL AND ADMINISTRATIVE

Telecommunications	18,000	2,500	5,000	
Internet Service (ISP)	15,000	2,500	5,000	
Copier Maintenance & Supplies	22,000	5,000	10,000	
Liability Insurance Premium	25,000	5,000	7,000	
D&O, Professional Insurance	2,000			
Consultants	200,000			
Independent Audit	30,000		-	
Security Officer			25,000	
Office Supplies	15,000	1,500	5,000	
Legal Fees	5,000			
Dues and Fees	1,500			
Postage	8,000		1,000	
Payroll Service	8,200	1,000	4,000	
Governing Board Expenditures	25,000			
Other GB - travel	5,000			
After Care - After School Clubs	800		1,500	
OTHER				
PAC	2,000			
STUDENT COUNCIL	2,500		1,000	
SUBTOTAL GENERAL AND ADMINISTRATIVE			\$467,000	7%

FACILITY OPERATING EXPENSES

Cafeteria Equipment	5,000		
Building Maintenance	30,000	2,500	
Landscaping	15,000		
Signage	5,000		
Janitorial Supplies	10,000	2,000	
Janitorial Services	55,000		
UTILITIES			
Electricity	45,000	1,500	
Water and Sewer	22,000	4,500	
Exterminating (Pest Control)	1,000	1,600	
Waste (Trash Removal)	7,000	1,200	
Building Monitoring System	6,000	1,000	
Miscellaneous Facility Costs	5,000	1,000	

24. SDR-46514 - SITE DEVELOPMENT PLAN REVIEW - PUBLIC HEARING - APPLICANT: RYLAND HOMES NEVADA, LLC. - OWNER: RB HILLSIDE, LLC - For possible action on a request for a Major Amendment of an approved Site Development Plan Review (SDR-8635) TO ALLOW AN EIGHT-FOOT GARAGE SETBACK WHERE SIX FEET OR LESS OR 18 FEET OR GREATER IS REQUIRED FOR 58 LOTS ON 3.05 acres at the southwest corner of Alexander Road and Clark County 215 (APNs 137-12-114-183 through 190, 218 through 223, 230 through 236, 256 through 262, 282 through 299, and 330 through 341), PD (Planned Development) Zone [ML (Medium Low Density Residential) Lone Mountain West Special Land Use Designation], Ward 4 (Anthony). Staff recommends DENIAL.
25. SDR-46555 - SITE DEVELOPMENT PLAN REVIEW - PUBLIC HEARING - APPLICANT/OWNER: ANNEX LV BLVD, LLC - For possible action on a request for a Site Development Plan Review FOR AN EXISTING PARKING LOT EXPANSION WITH WAIVERS OF THE DOWNTOWN CENTENNIAL PLAN STREETSCAPE, PARKING LOT LANDSCAPE AND PARKING LOT SCREENING FENCE REQUIREMENTS on 0.80 acres at 300 and 314 North Las Vegas Boulevard (APNs 139-34-512-004 and 005), C-2 (General Commercial) Zone, Ward 5 (Barlow). Staff recommends DENIAL.

DIRECTOR'S BUSINESS:

26. DIR-46896 - DIRECTORS BUSINESS - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - For possible action to approve the 2013 Planning Commission Meeting schedule. Staff recommends APPROVAL.
27. TXT-46870 - TEXT AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Discussion and possible action to amend the Las Vegas Medical District Plan to add "Business School" as a Permitted Use, Ward 5 (Barlow). Staff recommends APPROVAL.

CITIZENS PARTICIPATION:

28. CITIZENS PARTICIPATION: PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS WITHIN THE JURISDICTION OF THE PLANNING COMMISSION. NO SUBJECT MAY BE ACTED UPON BY THE PLANNING COMMISSION UNLESS THAT SUBJECT IS ON THE AGENDA AND IS SCHEDULED FOR ACTION. IF YOU WISH TO BE HEARD, COME TO THE PODIUM AND GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION ON ANY SINGLE SUBJECT, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED.

BRIAN SANDOVAL
Governor

STATE OF NEVADA

STEVE CANAVERO
Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
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October 16, 2012

Christina Fuentes, Governing Body President
Quest Academy Preparatory Education
6610 Grand Montecito Pkwy.
Las Vegas, NV 89149

Reference: 10 acres of vacant land Parcel #125-19-301-007 and 008

Dear Ms. Fuentes:

Thank you for your prompt response to my letter to you, dated October 12, 2012. The Authority received it yesterday, October 15. I noticed that you inadvertently neglected to sign the letter. As such, it is not deemed an official communication from Quest Academy. We are processing it as if it were signed and would appreciate it if you would sign and forward a copy via email at your earliest convenience.

Your continued support of our review will be greatly appreciated. To complete our review, we will need some additional information, as follows:

1. The 5-year budget gives rise to a number of questions:
 - a) Please reconcile how the Project Pro-forma Report beginning cash on hand FY 2012-13 increased \$152,000 from the expected cash on hand at the end of FY 2011-12 as mentioned in the June 25, 2012 Board of Director meeting minutes.
 - b) Response #4 in your letter says the school has no definitive plans for rental income. Please explain the rental income included in the budget.
 - c) Please show weighted enrollment for years 2-5 of your budget to more accurately reflect expected kindergarten enrollment and adjust DSA revenue accordingly.
 - d) Please define "Other" revenue.
 - e) FY 2012-13 "Total Facility Payment" is comprised partly of "Non Facility Expenses." Please explain.
 - f) Years 2-5 of the budget contain a "New Facility Payment" amount of \$1,040,000 annually, stated as \$16 million at 7% for 40 years. Those terms would produce an

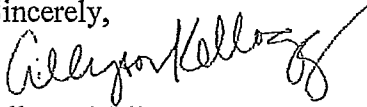
annual payment of \$1,193,148. Additionally, statute limits the term to 30 years, producing an annual payment at 7% of \$1,277,381. Please reconcile.

To expedite a complete and accurate understanding and review of your budget, please correct these items and make two additional adjustments to the budget:

- g) Leaving all line items in the budget as submitted, add FY 11-12 numbers from the unaudited details you provided to your external auditor for the audit they are about to complete.
 - h) Leaving all line items in the budget as submitted, add a column for FY 2010-11 and populate it with audited numbers, adding any necessary line items that are not in the submitted budget.
2. Please explain and submit documentation to show how you complied with the Purchasing Act in the selection of your proposed Contractor and Project Manager.
 3. Please explain and document the facilities costs that you mention in your response point #7. Is the plan to use portable buildings? How much do they cost? From whom are they available? Twelve hundred students would require a substantial amount of temporary facilities.
 4. Please provide a copy of the City Planning Commission site approval received on October 9, 2012.

We are standing by to review your response immediately upon receipt.

Sincerely,



Allyson Kellogg
State Public Charter School Authority

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration regarding the Application Review Team's recommendation of Nevada Performance Academy's charter school application

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

MEETING DATE: October 19, 2012
AGENDA ITEM: 18
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Approve: Approve a Subsection 7 charter.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Nevada Performance Academy

Charter School Application Recommendation Report

Proposal Overview

School Name

Nevada Performance Academy

Mission (Application Item A.1.2)

The Nevada Performance Academy offers a unique, arts-based and arts-infused, academic program that provides a distinct option for students looking for challenging curriculum, leading to strong educational outcomes. The Nevada Performance Academy promotes academic excellence and student success by identifying and developing each student's individual interests and talents. Utilizing an emphasis on active engagement and product-based learning, students at the Nevada Performance Academy build essential skills and knowledge related to thinking critically and creatively, communicating effectively, and excelling academically and intellectually.

Proposed Location (from Charter Application Cover Sheet)

Carson City

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	7-12	7-12	180
Year 2 (2014)	7-12	7-12	240
At capacity	7-12	7-12	240

School Designations: Distance Education

Recommendation

Overall Recommendation

- ***Approve: Approve a Subsection 7 charter***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- **Meets the Standard**

Section 2. Operations Plan

- **Meets the Standard**

Section 3. Financial Plan

- **Approaches the Standard**

Section 4. Performance Record

- **N/A**

Section 5. Evidence of Capacity

- **Meets the Standard**

Education Program Design

Rating

- *Meets the standard*

Plan Summary

Nevada Performance Academy proposes to offer a distance education program in a flexible blended format that is arts-based and arts infused to students in grades 7-12. The school proposes to use a variety of distance education curricula such as APEX, Aventa, and Florida Virtual, but also allow students the opportunity to engage in face-to-face instruction at a designated school site. Since an online arts infused curriculum does not currently exist, the school proposes to develop an arts-based and arts infused curriculum in all subject areas within its first six-year operational cycle.

Analysis

The Education Plan met criteria for approval because the proposed plan was comprehensive, detailed and aligned with the rest of the application. Nevada Performance Academy integrated the most recent research in arts-infused curriculum and provided a framework for developing essential student educational outcomes and the instructional model (blended learning) by which to deliver the proposed curriculum. Key research was provided in the emerging field of blended learning to further define the Flex model which would be used at the school. The Committee demonstrated, in the application and Capacity Interview, a deep understanding of the education plan.

The Committee was able to demonstrate in the Capacity Interview an appreciation for the critical role of a Learning Management System in a school that does not rely upon a single distance education curriculum.

The Committee clarified the plan for refinement of the arts-infused curriculum and provided a thoughtful approach to shifting from 100% commercially available curriculum to 90% in-house developed arts-infused curriculum. The Committee acknowledged that arts-infusion in the early years of the charter would change dramatically as they roll out the school-developed arts-infused curriculum. The Review Team had confidence in the Committee, especially the technical knowledge of Committee Liaison Mr. David Papke, to oversee the development and implementation of a new curriculum.

The Committee will need to revisit the plan to serve students in accordance with IDEA.

The Review Team commends the Committee on the proposed development of innovative in-house curriculum and the Committee's firm commitment to open source the developed curriculum to other schools.

Operations Plan

Rating

- *Meets the Standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: David Papke, educator; Natalie Berger, parent; Denise Gilliott, “business”; Eugene Paslov, educator; and Molly Walt, educator.

According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would not contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school. The school would provide distance education courses and/or programs.

Licensed subject matter teachers would be the “teachers of record” for all required courses. The school would hire a principal, counselor/testing specialist, two tutor-coaches, three performance specialists, an attendance clerk, five licensed teachers of record, and a halftime nurse. Tutors, performance assistants and support staff would also staff the school.

The application does not identify the school’s administrator.

Analysis

The Operations Plan was generally sound and met criteria for approval. The Committee (first governing body) appeared to understand its appropriate role in governing the proposed school. The Committee included the performance, arts, education technology and education expertise one would expect in an arts-infused, performance school, but appeared to include no particular human resources, law, or financial services expertise. Additionally, the school provided a number of letters of support from community leaders and civic organizations.

The Committee was able to explain a realistic staffing design for the school. The staffing plan for the school was unique and brought additional capacity into the school. The Committee was able to clarify the role of the coaches and performance specialists during the Capacity Interview.

Although there may be technical edits to correct certain items in the application (e.g., bylaws) the overall plan was sound and address the evaluation criteria noted in the application. The Review Team has confidence that the Committee will correct noted deficiencies.

Financial Plan

Rating

- *Approaches the Standard*

Plan Summary

Pre-opening expenses of \$20,500 are projected to be paid through attempts to secure grant money, recruitment of volunteer workers, seeking of cash donations and negotiation of credit terms and financial arrangements with vendors. Budgeted enrollment for years 1 and 2 is 180 and 240 students, respectively, yielding positive fund balances of \$15,259 and \$49,470. Copies of both years' cash flow statements were submitted with a major portion truncated such that they were not reviewable. No budget shortfall contingency plan beyond pre-opening is mentioned. No business manager will be hired. The principal will be primarily responsible for handling all finances.

Analysis

The Financial Plan partially meets the criteria for approval.

The Committee did not address or set aside funding to provide transportation for eligible Special Education students. This must be contemplated and accounted for in the event that a student qualifies for transportation services through their IEP. The Emergency and Crisis Response Plan must be tailored to the unique situation at Nevada Performance Academy as the plan included in the application makes inappropriate reference to positions not included in the school's application.

The Review Team encourages the Committee to reconsider their decision to not hire an individual with a finance/accounting background to provide the school with day-to-day fiscal management. The Committee's capacity in this area, as discussed under Operations Plan, was unclear. The Review Team doesn't see how, practically speaking, the school's leader will balance all aspects related to the operations and instructional program with those associated with the school's business.

At a minimum, revised cash flow statements are required to be submitted. If the Committee makes changes to the staffing or other aspects of the school that have a fiscal impact, then a complete resubmission is necessary.

Performance Record

Rating

- *n/a*

Plan Summary

n/a

Analysis

n/a

Evidence of Capacity

Rating

- *Meets the Standard*

Plan Summary

Nevada Performance Academy's CTF is comprised of five community members. David Papke is a teacher with Turning Point and has experience teaching at Silver State High School. He also has a Master's in Social and Cultural Studies in Education. Eugene Paslov is a retired State Superintendent of Public Instruction and served on Silver State High School's governing board. He has served on numerous local, state and national education committees and task forces including, but not limited to, Governmental Relations and Strategic Partnerships, WestEd, and New Standards, and the Carson City Cultural Commission. Denise Gillott is a real estate agent at Coldwell Banker Select. Denise also serves as the interim chair of the Carson City Arts and Cultural Coalition, vice president of the Pinkerton Ballet Theater, and is a youth leader with the Bethlehem Lutheran Church. Natalie Berger is a performer who currently teaches modern dance and ballet in Carson City. Natalie has performed in the Nutcracker Ballet; the Nagano Winter Olympics, Area 51 Dance Company, and Ririe Woodbury Modern Dance Company. Natalie also worked as a social worker in Gardnerville and Reno NV. Molly Walt is the current Carson City Supervisor and is a personal tutor and educational consultant in Carson City. She has served on various community boards including; Smiles For Miles, Food For Thought, Pinkerton Ballet Theater, and Wide Smiles Classic Youth Basketball Tournament.

Analysis

The Evidence of Capacity meets the criteria for approval because the Committee, through the application and Capacity Interview, demonstrated the ability to successfully refine and implement the education program; to oversee the effective and responsible management of public funds; and to oversee and be responsible for the school's compliance with its legal obligations.

Collectively the proposed members of the school's first governing body have experience teaching at and being board members of a charter school, real estate, education technology and virtual learning, dance instruction, and non-profit board membership. Of particular note, David Papke has extensive knowledge and practice in the delivery and development of online curriculum and brings technical expertise in the emerging field of online and blended learning. The Review Team considers his ongoing participation in the school to be a key driver to its success.

The Committee is encouraged to seek additional capacity in finance and law.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration regarding the
Application Review Team's recommendation
Northern Nevada High School's charter school
application

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

MEETING DATE: October 19, 2012
AGENDA ITEM: 19
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Northern Nevada High School

Charter School Application Recommendation Report

Proposal Overview

School Name

Northern Nevada High School

Mission (Application Item A.1.2)

The mission of Northern Nevada High School is to support our students in a college environment with personal, academic, and social skills.

Proposed Location (from Charter Application Cover Sheet)

Carson City

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	11-12	11-12	70
Year 2 (2014)	11-12	11-12	100
At capacity	11-12	11-12	200

School Designation

Recommendation

Overall Recommendation

- **Deny:** *The Committee is encouraged to revise and resubmit the application within the 30-day NRS 386.525 resubmission window. The deficiencies in the application preclude a Subsection 7 approval at this time, but could be corrected in a manner that does not fundamentally alter the school's proposed program. If corrected to the satisfaction of SPCSA staff and resubmitted pursuant to NRS 386.525, staff would recommend approval of a Subsection 7 Charter.*

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Meets the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Approaches the standard

Section 4. Performance Record

- Meets the standard

Section 5. Evidence of Capacity

- Approaches the standard

Education Program Design

Rating

- *Meets the standard*

Plan Summary

Northern Nevada High School proposed to replicate the educational model being used by Nevada State High School in Clark County. The school proposed to offer a dual credit educational program to students in grades 11 and 12 using courses provided by Western Nevada College and Truckee Meadows Community College. Students enrolled in this school would receive college credit while completing their high school graduation requirements. Although the majority of the coursework would be under the authority of participating colleges, the school would offer college support classes and advisement to enrolled students.

Analysis

The Education Plan met criteria for approval because the overall academic program met the criteria identified in the application and aligned with the mission, vision, and educational philosophy. The Committee identified reasonable growth rates for year 1 and 2 and intends to operate a small school with an enrollment cap of 200 students. The Committee included easily measurable and clear objectives and strong, reasonable academic goals. There is sufficient evidence of demand for a program like the one proposed by Northern Nevada High School.

During the Capacity Interview the Committee was able to clarify the intervention and remediation system to proactively support students in addition to the plan outlined in the proposal which appeared more reactive. The Committee indicated that their plan was to adhere to the Nevada State High School model as closely as possible but would consider making thoughtful adjustments if conditions in Northern Nevada present unique challenges not currently reflected in the Nevada State High School model.

The Committee is encouraged to develop a more robust system of professional development for the principal and executive director. This professional development should be linked to need, if not informed by Nevada State High School's experience, and a mechanism to evaluate its effectiveness should be developed.

There is evidence that Northern Nevada High School's academic program would be significantly different from that of other public schools and, like the program it replicates, may be viewed as an experiment from which the educational community can learn.

Operations Plan

Rating

- ***Does not meet the standard***

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Kimberly Vidoni, accounting/financial services/law/human resources; Valerie Keglovits, educator; Russ Keglovits, educator; Jamie Borino, parent; Christina Borino, accounting/financial services/law/human resources; and Henry King, community.

According to the board bylaws, the first board would consist of the members of the CTF. The proposed school would not contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school; it would not provide distance education courses and/or programs.

A full time Principal, half time Executive Director and half time Administrative Assistant would staff the school. The Principal and Executive Director would teach the three courses offered by the school. College instructors would teach the dual credit courses. According to the bylaws, "paid positions" are a Chief Operations Officer (COO) and a Chief Academic Officer (CAO). The role of the COO and CAO are not addressed in the staffing plan. The application identifies the school's administrators: Russell Keglovits and Kimberly Vidoni.

Analysis

The Operations Plan did not meet criteria for approval due to a number of reasons. The most prominent of which are discussed below.

The bylaws included in the application were inconsistent with and do not support other aspects of the application and the required letter indicating review of the bylaws by legal counsel was not provided. The Committee clarified that the bylaws were from Nevada State High School and the Committee did not wish to incur additional expense in hiring a lawyer to develop and/or review the bylaws and attest to their sufficiency; however certain aspects of the Nevada State High School's bylaws do not apply to Northern Nevada. That the applicants would simply copy another school's bylaws without consideration of the applicability of those bylaws to the Northern Nevada High School plan is of serious concern to the Review Team and indicates the Committee may not fully appreciate the role of governance in the school.

The application stated that the five member governing body would be comprised of the members of the Committee to Form; however the Committee is comprised of three couples (six persons), and two of the six (Vidoni and Keglovitz) would be employees of the board. The wholesale transition of the Committee to the first board would be problematic and impermissible given the real conflicts of interest present.

During the Capacity Interview it was not evident that the Committee appreciated the conflicts of interest present when governing board members have a familial relationship with the board's employees.

The Review Team suggests the Committee consider a fundamental redesign of the manner by which governing board members are recruited and, in consideration to the insular nature of the present Committee, add Committee members that may transition to the school's first governing body. Please see the guidance provided by the Authority in the Application Packet page 36, bylaw stipulation, 10 and 15.

Financial Plan

Rating

- *Approaches the standard*

Plan Summary

No pre-opening budget was presented. Budgeted enrollment for years 1 and 2 was 70 and 100 students, respectively, yielding positive fund balances of \$1,616 and \$121,914. No private contributions or grants were anticipated. The school would qualify only for quarterly DSA disbursements, but budgeted for monthly receipts. On the way to a small positive cash balance at the end of year 1, significant negative cash balances were projected for the first 11 months of operations, even after unrealistically low budgeted rent and utilities. Year 2 projected no beginning cash balance after projecting a small positive balance at the end of year 1. Year 2 projected significant negative cash balances in 5 months. Contingent plans in the event of such budget shortfalls included obtaining a short term loan from a bank, applying for competitive State and Federal grants, seeking support from local community groups that support the school's mission, seeking support from national foundations that support the school mission and coordinating a fundraising effort by the members of the Governing Council. It was difficult to understand how many students are necessary to cover expenses (break-even), as the application states 130 in one place and 70 in another. The person responsible for all finances would be the executive director. No business manager would be hired.

Analysis

Because the school did not demonstrate financial viability; the Financial Plan only partially met criteria for approval.

How the school would become operational and ready to serve students by its proposed first day (August 12, 2013) was unclear in the absence of a pre-opening budget or, in lieu of a pre-opening budget, an explanation of how the school planned to become operational given the limited timeframe in which the NVDOE may distribute early payment if the school qualifies.

The budget provided in the application was incomplete and did not provide effective cash flow management strategies given the quarterly revenue distribution. The Committee is encouraged to develop and present sound cash flow strategies that would maintain the school's viability and reduce the need to deploy stated contingency plan(s). The Committee would need to identify the true breakeven enrollment figure.

The budgets as presented undermined the Review Team's confidence that the proposed Executive Director is uniquely qualified to undertake the day-to-day fiscal operations of the school. It is noted the budget includes \$10,000 annually to pay for ongoing accounting services.

Performance Record

Rating

- *Meets the standard*

Plan Summary

Northern Nevada High School proposed to replicate the Nevada State High School model currently operating in Clark County.

Analysis

Northern Nevada High School would replicate the model used by Nevada State High School in Clark County. Nevada State High School opened in 2004 under the NV State Board of Education and is currently a SPCSA sponsored charter school. Nevada State High School started with an enrollment of 40 students and has built that enrollment up to 245 students in the last eight years. The school has consistently made AYP and has consistently, since 2005, been designated as either high achieving status or exemplary. Graduation rates for Nevada State High School have also been consistently high, being reported at 100% for most years.

Nevada State High School's outcomes are compelling and provide evidence of an effective program for Clark County.

Evidence of Capacity

Rating

- *Approaches the standard*

Plan Summary

Northern Nevada High School is comprised of six community members. Kim Vidoni is currently employed by the Nevada Department of Education where she oversees all State educational technologies. Kim has a PhD in Counseling and Educational Psychology and a Master's in teaching English as a Second Language. Christina Borino works for the Nevada Department of Education as a Grants and Projects Analyst. Valerie Keglovits is an Educational Technology Specialist and Substitute teacher with the Washoe County School District. She also has a Master's in Elementary Education. Russ Keglovits works for the Nevada Department of Education as an Education Program Professional specializing in Mathematics Education for 7th – 12th grade. Loren Jamie Borino works as support service personnel with the East Fork Fire and Paramedic District. Henry King is also currently employed at the Nevada Department of Education as an Education Program Professional in the Office of Assessments, Program Accountability, and Curriculum. He has a Master's in Teaching English as a Second Language.

Analysis

Each member of the Committee brings a wealth of professional experience to the Committee and is commended for their vision to replicate a successful Nevada charter school model.

Two members of the Committee to Form, Ms. Borino and her husband Mr. Borino, have prior experience serving on a board of a nonprofit – All Sports Boosters Program.

The proposed Principal does not have prior experience administering a charter school or non-charter public school. The proposed Executive Director does not appear to have the preparation for managing a business.

There is no disputing the successful record of Nevada State High School; however, the application and Capacity Interview did not demonstrate that the founding Committee of Northern Nevada High School collectively contains the necessary capacity to found and sustain a quality school. A number of issues undermine the Review Team's confidence that the Committee appreciates the critical role of effective governance in sustaining a high quality school: lack of attention to developing strong bylaws specific to Northern Nevada High School; failure to recognize the present conflicts of interest proposed within the application; and the absence of a comprehensive recruitment strategy for new governing board members.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration of the Application
Review Team's recommendation of Sterling
Charter High School North's charter school
application

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

MEETING DATE: October 19, 2012
AGENDA ITEM: 20
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

Sterling Charter High School North

Charter School Application Recommendation Report

Proposal Overview

School Name

Sterling Charter High School North

Mission (Application Item A.1.2)

The mission of Sterling Charter High School is to improve academic achievement by providing rigorous academic and social skills instruction that will lead to student success in school, within their lives, and within their community. Aligned with Sterling's mission, the school will target students who are disadvantaged and at-risk of academic failure due to academic, social, or economic factors. We will also work with youth referred to Sterling because of disciplinary issues, such as school expulsions, and will work with students who have dropped out of high school and are involved in the juvenile justice system.

Proposed Location (from Charter Application Cover Sheet)

Douglas County

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	9-12	9-12	24
Year 2 (2014)	9-12	9-12	30
At capacity	9-12	9-12	60

School Designations: At Risk

Recommendation

Overall Recommendation

- ***Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.***

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Approaches the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Does not meet the standard

Section 4. Performance Record

- Meets the standard

Section 5. Evidence of Capacity

- Does not meet the standard

Education Program Design

Rating

- *Approaches the standard*

Plan Summary

Sterling High School North proposed to offer a rigorous academic and social skills education program to at-risk students in grades 9-12. The student population would be students who are disadvantaged and at-risk of academic failure due to academic, social, or economic factors. The Common Core standards are the proposed curricula using Pearson's Common Core textbooks. Instructional strategies include individualization, goal setting, and explicit teaching in social skills and leadership. Behavior mentors would be utilized alongside teaching staff to reinforce behavior management skills. The school proposed an alternative school calendar of 250 days.

Analysis

The Education Plan partially met criteria for approval because the application presented compelling research-based evidence for selecting the proposed curriculum and the mission statement is clear and accompanied by a statement of philosophy; however, some areas require additional information, as the narrative provided does not go into sufficient detail. For example, no information was included on how the school would handle the coming and going of students that is likely to be part of the setting, and little information on how internship opportunities would be found and managed. Additionally, the school needs to specify how it would honor commitments to students under IDEA.

The applicant's belief that all students have strengths, and that the proposed school will work with students to develop social and interpersonal as well as academic skills, is commendable. The school appeared to have solid plans for the use of professional learning communities and intends to tie professional development closely to academic initiatives at the school. The intended early adoption of Common Core is also a strength. The management plan documenting how the school will monitor its success in meeting student achievement goals was concrete and a welcome addition to the application.

The Capacity Interview clarified that the school would be open enrollment and that the Committee may pursue enrollment preferences allowed under law for schools dedicated to serving at-risk students.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Tammy Lancaster, finance; Malaynia Wick, educator; Michael Reynolds, educator; Mike Torres, law, parent; Gwen Niccoli, human resources; Jonathan Blose, human resources. According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school: Rite of Passage. The school would not provide distance education courses and/or programs. "The administrators, teachers and staff will all be employees of the [EMO]." In the first year, the school would employ two teachers and one "behavioral mentor" to serve 24 pupils.

The application identifies the school's administrator: Peter Woods.

Analysis

The Operation Plan as stated in the application did not meet criteria for approval. The Capacity Interview failed to resolve concerns of the Review Team. Further thought and planning as well as involvement of other agencies, some of which are outside of Nevada, is needed before this application may be recommended for approval.

It is unclear how Rite of Passage Charter High School, a charter school sponsored by the El Dorado County Office of Education (California), and the proposed Sterling Charter High School North would interact. It was noted that the two schools would share the same facility that is currently provided by Rite of Passage, the proposed EMO. The Capacity Interview made clear that the certificated teachers in the Rite of Passage Charter School are California credentialed and employees of El Dorado County Office of Education.

The relationship(s) between Rite of Passage (the EMO), Rite of Passage Charter High School, El Dorado County Office of Education, and the proposed Sterling Charter High School require deep exploration and the Review Team did not feel confident that the proposed plan sufficiently addresses the many questions raised by the plan. Additionally, the proposed relationship between the EMO – Rite of Passage and Sterling North contains provisions prohibited by NAC 386.405 and 386.407 and requires material revision.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

Budgeted enrollment for years 1 and 2 is 24 and 30 students, respectively, yielding positive fund balances of \$72 and \$1,670. Included in those ending balances is revenue from federal grants totaling \$30,972 in year 1 and \$38,306 in year 2. Eligibility for much of this requires a full year of data, so none would be available in year 1. It is uncertain if and when it might be available in year 2. Cash flow statements (CFS) made an unrealistic assumption that all revenue and expenditures would occur evenly throughout 12 months. No expenditures are included on the CFS for rent, utilities or textbooks. Insurance stated in cash flow was \$4,000. Insurance quote received was \$14,376. The beginning cash balance in year 2 is, with no explanation, \$72 less than year 1's ending balance. Budget shortfall contingency plans included securing loans from a bank or the EMO, applying for federal grants (which appear to duplicate what is already in the budget) and private grants, fundraising and renegotiating leases and contracts. The person responsible for all finances would be the CFO of the EMO.

Outside Revenue was not calculated into the DSA or included in cash flow projections. Because of the many other errors and inconsistencies in the CFS, it is uncertain whether the additional revenue would result in a positive or negative cash balance.

Analysis

The Financial Plan does not meet the criteria for approval because the plan contained provisions prohibited by state regulation. Significant revisions to the financial plan are required that have the potential to significantly impact the proposed budget.

The Review Team concluded that it was difficult, if not impossible to review the proposed Financial Plan without clarity on how the revenue and cost centers of the school would be affected by the relationship between the proposed Sterling Charter High School South, Rite of Passage Charter High School, and Rite of Passage. It is suggested that this section be modified in future resubmissions (if applicable) once formal relationships are identified between the entities involved.

Performance Record

Rating

- *Meets the standard*

Plan Summary

Sterling Charter High School North intends to contract with Rite of Passage (ROP), a Nevada nonprofit corporation and Educational Management Organization. According to the contract included in the application, Sterling Charter High School North intends to engage ROP to provide educational, administrative and financial services and support to the school. Rite of Passage would charge the school 10% of the total revenue received by the school from state and federal sources, excluding National School Lunch Program dollars. Sterling Charter High School North would be responsible to reimburse ROP for all expenses paid by ROP including, but not limited to, personnel costs, curriculum, supplies, supervision and behavior management of students. The proposed contract is for the full term of the initial charter i.e., 6 years, and stipulates automatic renewal upon expiration of the initial term.

Analysis

The contract contained within the application appears free of any of the prohibited provisions as specified in NRS 386.562. However, the contract does violate NAC 386.405 which limits the initial term of the contract to two years and prohibits automatic renewal.

Rite of Passage is a national provider of programs for troubled and at-risk youth who are referred to Rite of Passage from social services, welfare agencies, and juvenile courts. This organization manages a wide-range of services which include community-based services, day schools, academic-model facilities, and gender specific treatment and secure facilities. Most of the youth referred to Rite of Passage are admitted to secure treatment or residential programs managed by Rite of Passage; however, Rite of Passage has created partnerships with various educational entities enabling youth at their treatment/residential facilities to graduate from high school. Rite of Passage currently contracts with four academies in four states and provide a number of services including academic support--Ridge View Academy in Colorado, Canyon State Academy in Arizona, Silver Oak Academy in Maryland, and Rite of Passage Charter High School in California.

Although most of the Rite of Passage "schools" are private residential facilities, the Rite of Passage Charter High School in California is considered a charter school which met their 2011 growth targets for all student level and subgroup level, meaning that their growth index exceeded the mandatory 5% improvement. Ridge View Academy in Colorado is considered an alternative school and was recognized as one of the highest achieving alternative schools by the Denver Public School District. Ridge View Academy also reported 77.3% of its 2011 exiting students as enrolled, enlisted, or employed within the first year of leaving the Ridge View Academy program.

Crescent Leadership Academy is a charter school contracting with Rite of Passage that received approval by the Louisiana Department of Education in fall 2011. There are no outcome results to report from this new school.

Based on information provided in the application and the Authority's due diligence, the operational, educational, and financial success of Rite of Passage is compelling and noteworthy. Additionally, the Authority's due diligence indicates that Rite of Passage has scaled up (added schools) successfully without adversely impacting its existing client schools.

Evidence of Capacity

Rating

- *Does not meet the standard*

Plan Summary

Sterling Charter High School North's Committee to Form is comprised of six members. Tammy Lancaster works for the Nevada Rural Housing Authority as the Chief Financial Officer. Gwen Niccoli is working part-time as a waiter at Edgewood Tahoe Golf Course. Mike Reynolds is a teacher in the Clark County School District and also has a Master's Degree in Aeronautical Science. Jonathan Blose is a Counselor with Rite of Passage. Malaynia Wick is a high school teacher at Dayton Valley High School, and Mike Torres is employed as a Douglas County Juvenile Probation Officer.

Analysis

The Evidence of Capacity did not meet the criteria for approval because the application fails to provide a coherent delineation of the roles and responsibilities between the school's governing board, management and the EMO.

The Committee to Form Sterling Charter High School South represents a diverse array of skill sets that would serve the school well if actively engaged. However, the Committee does not currently comply with the required composition as specified in NRS 386.520. A review of the law and self-assessment of compliance is necessary to identify required changes to the Committee's composition.

In the Capacity Interview, the Committee conveyed a deep commitment to serving Sterling's target population; however, the Committee's understanding of its role in the proposed school's governance is built upon a proposed relationship between Rite of Passage and Sterling that does not materially comply with regulation. The Committee is encouraged to continuously evaluate its own capacity to serve the school well as the application is amended to clarify the relationships between the various entities as well as the proposed contractual relationship between the school and EMO – Rite of Passage.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration of the Application
Review Team's recommendation of The Clark
School's charter school application

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

MEETING DATE: October 19, 2012
AGENDA ITEM: 21
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Dr. Steve Canavero, Director, State Public Charter School Authority

RECOMMENDATION: *Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.*

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND:

SUBMITTED BY: _____

The Clark School

Charter School Application Recommendation Report

Proposal Overview

School Name

The Clark School

Mission (Application Item A.1.2)

To become a top quartile Nevada school in English, math and science within three years (June 2016) and a top decile school within five years (June 2018) by providing differentiated, neuroscience-based instruction to ensure true subject mastery.

Proposed Location (from Charter Application Cover Sheet)

Incline Village

Enrollment Projections (from Charter Application Cover Sheet)

Opening Year	School Type	Opening Grade(s)	Projected Enrollment
Year 1 (2013)	2-12	2-12	5 - 7
Year 2 (2014)	2-12	2-12	8 - 10
At capacity	k-12	k-12	120

School Designations

Recommendation

Overall Recommendation

- **Deny: Significant application deficiencies were found which cannot be remedied without major revisions that would significantly alter the nature of the application.**

Summary of Section Ratings

Rating options for each section are Meets the standard; Approaches the standard; Does not meet the standard

Section 1. Education Program Design

- Does not meet the standard

Section 2. Operations Plan

- Does not meet the standard

Section 3. Financial Plan

- Does not meet the standard

Section 4. Performance Record

- N/A

Section 5. Evidence of Capacity

- Does not meet the standard

Education Program Design

Rating

- *Does not meet the standard*

Plan Summary

Clark proposes to improve academic achievement using effective and innovative methods of teaching for students in grades K-12. The school proposes to provide differentiated, brain-based instruction to ensure subject mastery. A blended approach using face-to face instruction and online course work from a variety of curriculum program providers such as APEX, Core Knowledge Edison, and K-12 will be utilized. The education program will operate year round including Saturdays and will be proficiency-based.

Analysis

The application to form The Clark School was incomplete and underdeveloped; numerous Required Elements of the application were not addressed. The result was an inadequate attempt to communicate the Committee's plan for a school. Additionally, the Committee, in developing a unique and non-traditional education model, demonstrated a potential lack of understanding of fundamental public school requirements. For example, the application requires, under section A.8, Special Student Populations, an Rtl referral packet and flowchart as well as an explanation of the proposed school's Special Education continuum of services delivery model. The applicant's response to each requirement of this section was "Not Applicable."

The Committee is encouraged to continue their research, respond to all required elements in the charter application packet and continue to develop detailed content.

Operations Plan

Rating

- *Does not meet the standard*

Plan Summary

The members of the Committee to Form the School (CTF) are: Kathryn Kelly, James Clark, William Lennartz, Georgette Porter, Dave Kempler, and David Rotman.

According to the board bylaws, the first board would consist of the members of the CTF.

The proposed school would not contract with an Educational Management Organization (EMO) to assist with the provision of educational services at the school. The school would not provide distance education courses and/or programs.

The school would employ three teachers, one administrator, and one administrative assistant in the first year.

The application does not identify the school's administrator.

Analysis

The application to form The Clark School was underdeveloped and all required elements were not addressed. The lack of detail resulted in a vague understanding of the school. For these reasons the Review Team was not able to conduct a substantive and material review of the application to form The Clark School.

The Committee is encouraged to continue their research, respond to all required elements in the charter application packet and continue to develop detailed content.

Financial Plan

Rating

- *Does not meet the standard*

Plan Summary

The Business Plan does not include a pre-opening budget. Budgeted enrollment for years 1 and 2 is 280 and 380 students, respectively. The minimal budget summaries presented include \$100,000 and \$50,000 of hoped-for grants and community support in years 1 and 2, respectively. They do not present enough detail to discern expected fund balances at the end of either year. No cash flow statements are presented. No budget shortfall contingency plans are presented. Financial responsibility of the school will be assigned to the Treasurer of the Board of Directors when that person is determined.

Analysis

The Financial Plan was underdeveloped and all required elements were not addressed. The lack of detail resulted in a vague understanding of how the financial plan would support the mission of the school. For these reasons the Review Team was not able to conduct a substantive and material review of the application to form The Clark School.

The Committee is encouraged to continue their research, respond to all required elements in the charter application packet and continue to develop detailed content.

Performance Record

N/A

Evidence of Capacity

Rating

- *Does not meet the standard*

Plan Summary

The Clark School's CTF is comprised of six members. Stacey Cooper is an administrator for Incline High School. No other resumes were given in the application.

Analysis

The lack of detail in the application and the responses within the application that appeared to run counter to the obligations of all public schools in serving their students, undermine the Review Team's confidence in the capacity of the Committee to found and sustain a quality school.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Discussion and possible action
identifying future agenda items**

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

MEETING DATE: October 19, 2012

AGENDA ITEM: 22

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Kathleen Conaboy, Chair, State Public Charter School Authority

RECOMMENDATION:

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

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

BACKGROUND: Discussion relating to future SPCSA agenda items.

SUBMITTED BY: _____