

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

October 18, 2012

Nevada Department of Education
Las Vegas Boardroom
9890 South Maryland Parkway,
Suite 221
Las Vegas, Nevada 89183

MINUTES OF THE REGULAR MEETING

BOARD MEMBERS PRESENT:

In Las Vegas:

Kathleen Conaboy
Michael Van
Melissa Mackedon
Nora Luna
Elissa Wahl
Marc Abelman

In Carson City

None

BOARD MEMBERS ABSENT

Robert McCord

AUTHORITY STAFF PRESENT:

In Las Vegas:

Dr. Steve Canavero PhD, Director, State Public Charter School Authority
Tom McCormack, Education Program Professional, State Public Charter School Authority

LEGAL STAFF PRESENT:

In Las Vegas:

Shane Chesney, Senior Deputy Attorney General

AUDIENCE IN ATTENDANCE:

In Las Vegas:

Kaide Dodson
Ryan Reeves
Julianna Turley

Jerod Allen
Valerie Blake
Kelly Parker
Mike Kazek
Jon Gardner
Joani Williams
Dennis Shinn
Shantell Newsome
Linda Kiefner
Julie Williams
Joshua Jordan
CJ Bower
Johanna Daivs
Jonay Argier
Ruth Parker
David Calvo
Boone Cragun
Rachelle Hulet
David Sharette
Esther Brown
Kirby Burgess
John Hawk
Connie Jordan
Mark Hesiak
Judi Cuberebla
Kelly Willams
Ercan Aydogdu
Amy Zeiders
Katie Pellegrino
Krish Sen
Kim Comelek
Angie Kleven
Angie Kleuer
Richard Moreno
Marivelle Nunez
Carolyn Starlette
Marlo Tsuchiyama
Linda Destarlais
Lee Iglody
Jeff B.
Margot Allaire
Joe Price
Prasad Nair
Nancy Hall
Lawrence Howell
Hadassa Lefkowitz
Anna Webb

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

October 19, 2012

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

And

Legislative Building
401 South Carson Street
Room 2135
Carson City, 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
Robert McCord

In Carson City

None

AUTHORITY STAFF PRESENT:

In Las Vegas:

Dr. Steve Canavero PhD, Director, State Public Charter School Authority
Tom McCormack, Education Program Professional, State Public Charter School Authority

In Carson City:

Angel Blair, Education Program Professional, State Public Charter School Authority
Katherine Rohrer, Education Program Professional, State Public Charter School Authority
Allyson Kellogg, Management Analyst, State Public Charter School Authority
Brian Flanner, Administrative Services Officer, State Public Charter School Authority
Danny Peltier, Administrative Assistant, State Public Charter School Authority

LEGAL STAFF PRESENT:

In Las Vegas:

Shane Chesney, Senior Deputy Attorney General

AUDIENCE IN ATTENDANCE:

In Las Vegas

Matt Waltz
Jason Klonoski
Carmeta Howard
Denise Dennis
Connie Jordan
Mark Kisling
Delener Mack
Danny Velez
Ethan Teifeir
Evani Thomas
Jacoby Armstrong
Ralena Phillips
Naiani Paliotta
Greg Lockridge
Vernon law
Amy Schlauder
Sheryl Richard
Marivelle Nunez
Lee Miller
Kimberly Rushton
John Hawk
Kathryn Kelly

In Carson City

Molly Walt
Eugene Paslov
Steve Knight
Russell Keglovits
Denise Gillot
Christina Borino
Jamie Borino
David Papke
Kim Vidoni
Donna Wix
Valerie Keglovits
D. Alexandra Prasant
Et. C. Adler
Tammy Lancaster
Johnathan Blose
Mike Torres
Malaynia Torres
Mike Torres

Gwen Nicolli
Lawrence Howell
CJ Bower
Lisa Broman
Suzanne Schulze
Stephanie Parker

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

President Conaboy called the meeting to order at 8:25a.m. with attendance as reflected above.

Agenda Item - Public Comment

Kimberly Comelek spoke in opposition of Imagine Centennial being approved by the Authority. She said she had sent a binder to staff of information about Imagine Schools across the country. In her testimony she said her personal experience with Imagine Schools Inc. was not positive and similar to many of the stories she included in the information she provided. Her daughter attended Imagine in the Valle (Valle) during the 2010/2011 school year. In May 2011 Kimberly attended a Valle board meeting where she learned her daughter was in jeopardy of losing her school. Imagine had threatened not to renew the lease on the building if the school board did not renew its contract with Imagine Inc. As she understood it, once the Nevada State Board of Education was made aware of the situation and dozens of parents spoke out in anger at a school board meeting, Imagine Inc. backed down, finally agreeing to sever the management relationship and grant a two year sublease of the school property to the Valle board. Kimberly said that what Imagine Inc. had to say publicly, and off the record, to the Valle board and parents was appalling. Kimberly is a business owner in Las Vegas so she understood how business sometimes have to make tough choices, but she felt that Imagine Inc. cared nothing for the children in any of its schools. She said she felt the corporate owners and employees only care for the profit of the company and she felt the material she included in the submitted binder support her conclusion. Kimberly commended the Valle administration for being able to keep the school in the black despite having to pay enormous fees to Imagine Inc. for various services that were never provided. She said the teachers and staff at Valle were managed and trained by Ms. Jordan and were never trained by Imagine Inc. Kimberly concluded by saying Imagine Inc. cannot take credit for the success of the Imagine in the Valle and to claim that Imagine Centennial will be a success by using the same models remains to be seen.

Agenda Item 2 – Approval of August 24, 2012 SPCSA Minutes

Chair Conaboy said that changes needed to be made to the format and substance of the minutes and that no action should be taken until the format and substance of the meeting minutes was agreed upon by the board. Therefore, no action was taken on the August 24, 2012 SPCSA minutes.

Agenda Item 3 – Authority Update

Chair Conaboy informed the Authority that they met with the Superintendent of Public Instruction, James Guthrie, Rorie Fitzpatrick, Deputy Superintendent, and Judy Osgood, policy advisor on education for Governor Sandoval in September. They discussed the overall approach at the state level of education policy for the upcoming 2013 Nevada Legislative session. Dr. Guthrie assured Chair Conaboy that charter school expansion is very high on his agenda. He said he also understands the need for facility funding for Nevada's charter schools. Count Day versus the Average Daily Attendance was discussed with regard to the funding of public schools. There was also discussion to about expanding Teach for America. Authorizing charter schools was also a major point of the discussions. AB 318 was also discussed which is the legislation that put the burden of proof on the charter schools when dealing with Special Education complaints.

Chair Conaboy also met with the Clark County School District because they have Bill Draft Requests having to do with authorizing new charter schools. She said there is some indication that Clark County may lift their moratorium on charter schools and begin authorizing new schools in the near future.

Agenda Item 4 – Director's Report

Director Canavero began by introducing Brian Flanner to the Authority. Brian was hired as an Administrative Services Officer for the SPCSA and would be dealing with financials and budgets both for the SPCSA office and helping SPCSA-sponsored schools with their financials and budgets. Director Canavero also updated the Authority on the hiring status of the Business Process Analyst. Unfortunately, the candidates had decided to not accept the position and he would be opening the position up for recruitment again. He said there may be a

chance the employee would be hired and stationed in Las Vegas to better assist the charter schools in the south with their implementation and use of Powerschool.

Director Canavero then moved on to the 2012 charter application process. He detailed how staff coordinated the application reviews and charter applicant interviews with both internal and external application reviewers. Director Canavero said that the group had been broken up into review teams with him serving as the lead of each team. Each review team reviewed the applications independently and met as a whole to discuss their findings. Then SPCSA staff interviewed the each applicant and brought their findings back to the review team as a whole. From the information compiled through the application review and the interviews, the review teams were able to come to a consensus decision regarding each of the applications received.

Chair Conaboy asked Dr. Canavero how a consensus recommendation is arrived at by the Review Teams. He said that during the review the teams meet when the application is first received. Then each reviewer reviews the application individually to determine if the application Does Not Meet, Approaches, or Meets Standards. After the individual reviews are complete the teams meet again and discuss their findings. From there, the team decides on what they think the best recommendation is and they make that recommendation.

Agenda Item 5 – Consideration regarding the Application Review Team’s recommendation of Doral Academy of Nevada’s charter school application

Director Canavero began by giving background on Doral Academy of Nevada’s application. 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. 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.

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.

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.

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.

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.

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.

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.

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.

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.

Director Canavero finished by saying SPCSA staff recommendation for Doral Academy of Nevada was to approve the applicant for a Subsection 7 charter.

Member Luna asked Director Canavero about the socioeconomics of the location of the proposed school. Director Canavero said that the location is not in an area where there are a lot of students who are socioeconomically disadvantaged.

Chair Conaboy asked that the Committee to Form (CTF) for Doral Academy of Nevada come up and answer some questions the Authority members had.

Joani Williams started the discussion by giving the background of the how the Committee to Form worked through the application process and what exactly Arts Integration meant. She said that Arts Integration includes songs, art, and other art-type curricula to help expand the lessons and make them more interesting for the pupil. She said that she had three children who all showed huge improvements in their coursework when they were introduced to an arts infused curriculum. She also said that Arts Infused education expands the student's ability to comprehend various subjects including English, math and history.

Chair Conaboy asked how the CTF had found Doral and Academica. Ms. Williams said she had seen Academica in use at Somerset Academy and had found she really liked the relationship between the school and the EMO. She said they went and visited Doral Academy in Florida over the past summer and was very impressed with the school that was already in operation there. She said she wanted to bring the same Arts Infused School to the Las Vegas area.

Jarrod Allen also added that like Ms. Williams he has found that his children respond very well to the arts infused curriculum, which made him want to become involved with the CTF of Doral Academy of Nevada.

William Kragen said he and his wife wanted to become involved with the charter school because the public schools by his home were already so overcrowded. He said, like the other members of the CTF that his children responded really well to arts infused curriculum. He said his passion is trying to expose this form of curriculum to as many pupils as possible because of the difference he has seen it made in his own children's lives.

Chair Conaboy asked the CTF what their options were with regard to a facility for the school. Ms. Williams said that as of right now they have not secured a facility, but they have been looking. She said that the southwest part of Las Vegas is relatively new and there are not a lot of vacant buildings they can move into. She said they are looking into renovating an existing building into a school site instead of moving into a brand new building.

Member Abelman said that he was a huge proponent of the Arts Infused curriculum and he commended the CTF for using it in their charter school application. He then said he had a question about the EMO, and how the relationship is going to work between the school and the EMO. Ms. Williams said their affiliation is currently set up to last for two years with Doral and they would evaluate Academica and if they found that Academica was not fulfilling its duties they would look to move onto a different EMO.

Vice Chair Wahl was concerned that in her review of multiple charter applications she found that much of the language used in Doral's application was replicated in another application that was currently under review. Vice Chair Wahl asked how much of the application this CTF was intimately involved with. Ms. Williams said

that they were very involved with the application, however they requested Academica's advice, but they didn't have Academica write the application for them.

Member Luna made a motion for approval of the staff recommendation for approval of the Subsection 7 Charter for Doral Academy of Nevada. Member Mackedon seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 6 – Consideration regarding the Application Review Team's recommendation of Sterling Charter High School South's charter school application

Director Canavero then moved onto staff's recommendation for the Sterling Charter High School South's application. He detailed the recommendations made by staff:

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.

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.

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.

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.

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.

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.

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. 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.

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.

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.

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.

Chair Conaboy called members of the CTF of Sterling Charter School South to come up for questions from the Authority. Kirby Burgess, liaison for Sterling South, introduced the members of the CTF. He said there has always been a need in Las Vegas to supply a school for children who do not fit the normal public school model. HE said that all members of the CTF are from Nevada and that Right of Passage (ROP), the EMO for Sterling South, is based in Nevada.

Chair Conaboy asked how the CTF came together and how they came about ROP as the EMO for their charter school. He said that on a personal level he has known and worked with ROP for a number of years through his work in the Juvenile Justice system. Harry Williams said he had worked with ROP for 10 years. He said that ROP works with youth that no one else wants to work with. Esther Rodriguez said that she has also worked with ROP through her foundation The Embracing Project. Jonay Argier has not directly worked with ROP but has worked with troubled youths and wanted to be a part of a charter school that would be there for these youths who have nowhere else to go. Johanna Davis worked for Early Headstart in Reno and Harlem for the past 4 years and she wanted to be involved, like Ms. Argier, with an at-risk charter school in the Las Vegas area. Leon Jackson worked with ROP during a work readiness and he was impressed with the energy and passion that ROP brought to working with the at-risk pupils.

Member Mackedon asked about the student:teacher ratio because it is much different than a normal public school. Mr. Burgess said that they are taking models that have already been put into practice and using them at Sterling South. Mr. Jackson added that the work relationship between teachers and the behavioral specialists also ensures that the pupils are receiving the teaching and supervision they require. He said the main purpose of Sterling South will be to teach the kids who have are unable to return to normal class. He said that is why they have the behavioral specialists in the class, so if there is an incident the pupil wouldn't have to be pulled directly from the class. The specialist is there to work with them and to help them through their situation without interrupting too much of the learning time.

Member Abelman asked how the CTF plans on reaching the home life of these troubled youths. Mr. Burgess said the committee has not directly addressed that but they understand that it is an integral part of the entire lesson plan that the school should be looking at. He said the pupils need to be well adjusted when they reenter the normal public school environment and part of that is dealing with any underlying issues that may be going on in the home.

Vice Chair Wahl said that it seemed to her that this CTF was taking on much more than just educating the children and they should be commended for that. Wahl was also impressed with the amount of parent involvement the school is looking to facilitate.

Member Luna then asked the CTF to address the recruitment strategy they were planning on implementing when the school opened. Mr. Burgess said they had identified where the pupils will most likely come from and they will target those areas. Some of the areas they are looking at are the Clark County School District, the juvenile court services, and churches and community based agencies. They also had performed an analysis on the zip codes where they felt were a higher probability that a pupils would come from there. They had approached Metro Police in Las Vegas to include their input on where some of the trouble spots were in the Las Vegas Valley. Mr. Burgess also added the Juvenile judge in Clark County was already aware of the program and was very excited to begin using it as a resource to send youths to.

Chair Conaboy commended the CTF for their application and the thoughtfulness that went into it. She said her only concern was their application included a lot of Federal money. She wanted to know how the school would make up for the money if it was not received from the Federal Government. Mr. Burgess said they have alternative plans if funding is not received. He said the school would also be applying for private donations. Chair Conaboy said it was still a concern and they would need to mind it as they moved forward toward the opening of the school. Director Canavero added the funding issues of the school would also be something that would be addressed in the preopening requirements of the Subsection 7 agreement.

Vice President Wahl made a motion for approval of the staff recommendation for approval of the Subsection 7 Charter for Sterling Charter High School South. Member Abelman seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 7 – Consideration regarding the Application Review Team’s recommendation of American Preparatory Academy’s charter school application

Director Canavero began his presentation on the American Preparatory Academy’s charter school application: American Preparatory Academy’s mission is 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.

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.

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.

The members of the Committee to Form the School (CTF), and the NRS 386.520 membership requirements each one meets, are: Liaison: Rachelle 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.

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).

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. 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%.

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.

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.

Chair Conaboy asked that the CTF come and answer a few questions about their proposed charter school. Rachelle Hulet, CTF liaison, began by introducing the other members of the CTF. Ms. Hulet said the process of putting together a charter school application has been a challenging one. She said they have been working on the application for the past few years and they are focused on student engagement and reaching mastery levels in their core classes. She said the CTF felt pressured to make their application K – 12 since they were planning on opening a high school at a later date. The CTF felt that if they would have done the original K – 8 application then they would have been able to receive a recommendation of approval for a Subsection 7 charter from the Authority. Ms. Hulet said the CTF was requesting a Sub 7 charter approval for the K - 8 portion of their application. Each CTF then gave their reasons why they had become involved with the charter school application.

Member Abelman asked the CTF if they could go into further detail regarding the K – 8 versus K -12 applications. Again, The CTF felt that if they would have done the original K – 8 application then they would have been able to receive a recommendation of approval for a Subsection 7 charter from the Authority.

The CTF also addressed some of the concerns with the contracts they included in their Charter School application. The CTF said they currently do not have a different EMO lined up right now, but if they ever needed to find one they were confident they would be able to.

Vice Chair Wahl asked Director Canavero if it was possible for the Authority to approve the K-8 portion of the application and deny the 9 – 12 part. He said that it was not something they could do. He also added that deficiencies found in the application went beyond just the K – 8 versus K – 12 questions. He said there were material deficiencies in the application with regard to the K – 8 portions and with that in mind, the application should be fully denied.

Chair Conaboy asked if Director Canavero could comment on the CTF's discrepancy between being advised to turn in the K – 8 versus K – 12. Director Canavero said that he wasn't sure of the specific details of the conversation but it was not staffs responsibility to determine the merits of the K – 8 versus the K -12. He said it is difficult to determine exactly what staff said since there was not a specific conversation referenced. Chair Conaboy asked if there would be the latitude for the CTF to work with staff in order to solidify the K – 8 portion of the application and still be able to turn in the application as part of the original application without it being considered an entirely new application. Director Canavero said yes that was what he had in mind and the application could go through as a K – 8 after the other deficiencies were fixed during the application resubmission window.

Member Abelman made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for American Preparatory. Member Luna seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 8 - Consideration regarding the Application Review Team's recommendation of Leadership Academy of Nevada's charter school application

Director Canavero then moved onto Leadership Academy of Nevada:

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

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.

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.

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. 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.

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.

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. 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.

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.

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 homeschooled 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.

Vice Chair Wahl said that she knew members of the CTF through her professional work but she did not feel that it had any bearing on her decision about the application that was currently before the Authority.

The Authority had concern with the proposed teacher contracts that were included in the application and addressed those concerns with the CTF.

Valerie Blake, CTF liaison presented to the Authority by going over the process her and the CTF had gone through in order to reach this point. She spoke about the CTF's plans on obtaining grant money and she felt it would be best for the CTF if the Subsection 7 was approved for the school in order for them to go after the grant money. She also said the operations plan with regard to employee contracts was being addressed and that they are in the process of revising the budget in order to reflect staffs recommendations with regard to the teachers' employment classification. She also clarified the staffing numbers and she said those were being revised in the application as well. The CTF then gave some personal history to the Authority and why they became involved with the Leadership Charter application.

Member Luna asked the CTF about their plans to use Rosetta Stone as part of their foreign language curriculum. Member Luna said the case studies didn't have the scientific or education expertise to back up the claims being made by Rosetta Stone. She said the success of the program was being highlighted on the Rosetta Stone website but she had not been able to find any peer review articles seconding Rosetta Stones claims. Director Canavero also added that Rosetta Stone could be used as an add on for the ELL curriculum but it would need to be supplanted with standard core curriculum that the State of Nevada recommends is used in the education of ELL students.

Ms. Blake also addressed the special education concerns that were raised during the application process and she said that when she stepped down from the CTF they would add someone with expertise in the special education field. She also explained how Leadership Academy would be different than the public schools already in Las Vegas with respect to how individual students would be pushed to exceed the averages. Ms. Blake explained how Williamsburg Academy has already shown what they can do in their existing schools in pushing student academically and she said that was one of the core reasons why this school would be different than existing public schools.

Member Abelman made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Leadership Academy. Member Luna seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 9 - Consideration regarding the Application Review Team's recommendation of Silver State Virtual Academy's charter school application

Director Canavero moved onto Silver State Virtual Academy' charter school application:

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

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.

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.

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.

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. 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. 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.

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. 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.

Margot Allaire, CTF liaison, then presented to the board. She gave background on how the school was put together. She said she was recently part of a filed charter school and that experience led her to want to open a charter school. Ms. Allaire also spoke about the issues the CTF had with the EMO they had chosen and how that had caused difficulties with their application. Other members of the CTF gave their personal histories and how they became with the Silver State Virtual application.

Vice Chair Wahl had some questions about the bus that Silver State was thinking about purchasing. Ms. Allaire said the bus could be outfitted with internet in order to take the program to rural areas in Nevada. She said it would be beneficial for the students who may not have the access to the same online capacity as the pupils in the larger cities in the state.

Vice Chair Wahl made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Silver State Virtual Academy. Member Abelman seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 10 - Consideration regarding the Application Review Team's recommendation of Ben Gamla of Nevada's charter school application

Director Canavero began by detailing the Ben Gamla of Nevada's Charter Recommendation: 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. 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 and 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.

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.

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.

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. 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 Academica Nevada, the EMO, for financial management. 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. 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.

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. 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 (Mayars, 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.

The members of the CTF for Ben Gamla Charter School of Nevada chose not to present to the Authority. They informed staff that they would not be resubmitting the application during the resubmission window.

Member Van made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Silver State Virtual Academy. Vice Chair Wahl seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 11 - Consideration regarding the Application Review Team’s recommendation of Imagine Centennial’s charter school application

Member Abelman recused himself from the application hearing due to a conflict of interest with Imagine Inc. Director Canavero began by detailing the Imagine Centennial’s Charter Recommendation:

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. The Education Program only partially met standard due to a number of reasons. 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 for 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. 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. The Operations Plan only partially met criteria due to a number of reasons. 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. 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 owning 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.

The Financial Plan only partially met criteria for approval due to a number of reasons. 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. 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.

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).

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.

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.

Members of the CTF then presented to the Authority. Hadassa Lefkowitz, CTF liaison, gave background on the CTF and the process that had led them to submit a charter school application. Members of the Authority asked Ms. Lefkowitz about the due diligence the CTF performed when looking into Imagine Inc. as the EMO for their proposed charter school. There has been some negative information regarding Imagine schools that are currently in operation and the Authority asked the CTF their thoughts about this information. The CTF said they had seen some of the stories but felt that it was not a large enough inhibitor for them in choosing Imagine Inc. Ms. Lefkowitz also spoke about the Imagine schools currently operating in Nevada and pointed to their success as a reason their charter school application should be approved.

Members of the Authority had concern with the information that had been submitted to staff prior to the meeting. Member Van felt that staff should have the opportunity to look over the new information and the recommendation that was currently before the Authority did not account for these new submissions. He said staff should look over the new submission and work with the CTF during the resubmission period.

Ms. Lefkowitz said there was confusion between staff and the CTF about missing items in the application and said that the CTF were not made aware of the missing elements during the submission window. She said with better communication, many of the problems with the application could have been addressed prior to this meeting. Chair Conaboy said she was concerned with the amount of missing documents in the original submission and how that reflected on the capacity of the CTF to run a successful charter school. Ms. Lefkowitz said it was a regrettable oversight but not something that would hamper their ability to run the charter school.

Vice Chair Wahl asked that Director Canavero clarify the application for the board in order to see where some of the communication breakdowns came from and maybe identify some solutions where staff and the CTF could work together.

Gus Flangas, attorney for Imagine, then spoke on behalf of Imagine Inc. He felt the Authority was being unfair in its criticism of the Imagine application. He said even though there were negative stories about Imagine, the EMO had taken steps to remedy those problems. He also said the success or failure of a charter school is based on the people involved with the school and this CTF was very capable to run a successful charter school.

Member Van added that he knows Mr. Flangas in his professional life but it would have no bearing on his decision about the charter application that was before him.

Member Mackedon, Van, and Chair Conaboy again asked about the oversights the CTF had during the application process and still were concerned with the answers that were provided. Member Mackedon said that while she could understand collating errors she was still apprehensive with the progress measures that Imagine was proposing to use. Member Mackedon felt it is a charter school's responsibility to strive to be better than existing charter schools but the growth targets that imagine proposed were not better than what is already being done. Vice Chair Wahl added that staffs due diligence had brought to light these statistics and she did not understand how Imagine was now presenting new statistics to the Authority that staff had not had the chance to review.

Chair Conaboy called for a motion.

Member Mackedon made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Imagine Centennial. Member Luna seconded the motion. No discussion took place. 5 members voted to Aye approve. Member Van voted Nay.

Agenda Item 12 - Consideration regarding the Application Review Team's recommendation of Promise Academy's charter school application

Director Canavero began by detailing the Promise Academy's Charter Recommendation:

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. 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.

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.

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. 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.”

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. 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.

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.

Chair Conaboy asked the CTF to come forward to present to the Authority. She asked that they give a brief background about why they were involved with this charter school application. Each member of the CTF went over their personal history and why they wanted to be part of the Promise Academy charter application. The CTF then spoke about different aspects of the school and gave response to staff’s recommendation. The CTF said they would be operating an English school and not a Dual Language school. They also contended that their program was research based and would be a successful program to implement in Clark County.

Vice Chair Wahl commended the committee for its hard work and encouraged them to resubmit during the resubmission window.

Chair Conaboy asked the CTF if they would like to address staff's recommendation regarding the lack of financial capacity on the CTF. Ms. Pellegrino said that during the application process the financial portions were the most difficult. She said they were under the assumption that by receiving the Subsection 7 they would have the opportunity to clear up the financial information. Chair Conaboy said her understanding of statute was different in that the CTF needed to provide relevant financial data pertaining to their charter school in order to receive the Subsection 7 in the first place. Director Canavero added that Chair Conaboy was correct in her understanding of NRS. Ms. Pellegrino added that they would be providing the Professional Development to staff and they added it to the beginning and back of the school year in order to minimize student interruption. Member Mackedon commended the CTF for this idea, but she encouraged them to address the financial deficiencies as soon as possible because she felt those were the most important issue that needed resolution first.

Member Abelman made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Promise Academy. Member Van seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 13 - Consideration regarding the Application Review Team's recommendation of Legacy International College Prep Academy's charter school application

Director Canavero began by detailing the Legacy International's Charter Recommendation:

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. 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.

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.

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. 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.

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. 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.

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.

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. 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.

Chair Conaboy asked Director Canavero if anyone from the CTF was present. Director Canavero said there was no one from the CTF present but there were to members of the Legacy EMO who would be willing to speak to the charter application.

Steve Grubaugh and Greg Lockridge said that Dr. Meckley was on a 6 week cruise and was unable to attend today's meeting. He said the entire CTF had a lot of issues with their scheduling. Chair Conaboy recommended that they go over the model with the Authority since they could not represent the CTF of the charter school.

Dr. Lockridge explained the program and how it would be geared to high achieving students who were pursuing extracurricular activities such as tennis and events. He said this would cater to their unique needs and still provide them with a quality education while allowing them to excel in their extracurricular activity. Dr. Lockridge also added that there were about 2,000 students in Clark County that fall into this unique category and he was surprised by that number because he didn't realize it would be that high. Vice Chair Wahl encouraged them to expand beyond athletics and include actors or other students who are excelling in other extracurricular activities. She also asked for clarification about why she was unable to find any information about the EMO online. Dr. Lockridge said that because it was just formed and there is nothing online for her to look up.

Chair Conaboy recused herself from the vote after disclosing her employment relationship with K12 Inc.

Vice Chair Wahl said that in was disconcerting for her to see in the staff recommendation that only one member of the CTF had shown up to the capacity interview and now there were none here for the application hearing. Dr. Lockridge reiterated that it has been tough with everyone's schedules and it has been almost

impossible to get everyone together during the weekdays. Member Mackedon said she was very intrigued by this application but her advice was to find a committed board who would be able to attend these important meetings.

Member Abelman made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Legacy International. Vice Chair Wahl seconded the motion. No discussion took place. Chair Conaboy abstained from the vote. Member Van was absent. The motion carried unanimously.

Agenda Item 14 - Member Comment

None

Agenda Item 15 – Public Comment

None

Agenda Item 16 – Recess

The meeting was recessed at 4:30 p.m.

RECALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE;

President Conaboy recalled the meeting to order at 9:02.m. with attendance as reflected above.

Agenda Item 17 - Report on and possible consideration of Quest Academy's proposed purchase of real property

Connie Jordan presented on behalf of Quest Academy and began by updating the Authority on the proposed purchase of real property. Along with Ms. Jordan she brought all of the people involved with the transaction of the property for Quest Academy. Kimberly Maxson-Rushton, attorney for Quest Academy, was asked to speak by Ms. Jordan.

Ms. Maxson-Rushton began by going through the contract process, city planning, zoning, and architectural work that had been done up until this point. She said the city had approved all of the preliminary zoning contracts, but Quest Academy would still need the final approval from the Authority to move forward with final approvals from the City of Las Vegas.

Vernon Law, Vice President of Quest Academy Governing Board, spoke on behalf of Quest's Board's work to ensure the security of the property purchase. He spoke about the additional information that had been submitted to SPCSA staff and he felt that all the documents submitted were accurate. He asked for the support of the Authority in the approval of the property purchase by Quest Academy.

President Conaboy asked Director Canavero about the documents that had just been submitted to SPCSA staff by Quest Academy that morning. Director Canavero said that staff had not had time to review the documents. He said that staff had additional questions from prior documents that were submitted by Quest Academy and the documents submitted that morning were probably the documents that staff had requested. President Conaboy also added that the Authority Board had also not had time to review the latest submitted document.

Robin Vitiello, bookkeeper for Quest Academy, gave background on the submitted documents. She said there were updated budgets and plans that SPCSA staff had requested in their October letter. Lucretia Gladwell, finance manager for Quest Academy, also added that Quest had corrected some of the budgeted revenue and expenditures in their plan due to some oversights on her part. She also added that Quest did have a plan in case the property purchase was not completed in time for students to use in the upcoming school year. Ms. Vitiello also spoke about the bid process that SPCSA staff had inquired about. She said they began the process at a national charter school conference where they met with a variety of different builders and planners. Ms. Vitiello also added to Ms. Gladwell's statement about the backup plan in case the property purchase did not go through. President Conaboy asked if Quest Academy still needed to go before the Las Vegas City Council, but Quest said that it only is a matter of protocol and the City Council would not need to hear them at their meeting.

Vice President Wahl asked about the \$50,000 earnest deposit that was made by Quest. Ms Gladwell said they had made the deposit for the land, but Vice President Wahl still was not clear about why the deposit was said to have been made to the bank. Mr. Law said that it is what a down payment to ensure the owners of the land that Quest Academy was serious about the purchase. Vice President Wahl was still not clear about why in documents submitted by Quest the earnest deposit board approval was scheduled for October 19, but Quest was already saying they made the payment. Mr. Law said there was an error in the submitted timeline and the payment approval had already been made in August.

Member McCord asked that he be refreshed about who would hold the debt obligation in the case of the school being closed for any reason. Deputy Attorney General Shane Chesney said that in the case of the school closing the State would be the owner of the security interest in equity but the school would still be responsible for the debt. Member McCord also added that the timeline of construction being submitted by Quest Academy seemed ambitious. He felt the timeline might be too short for the necessary building to be completed. Member

Van also added that he felt the timeline would be a concern because of construction issues on the side of the valley that Quest going to build on.

Director Canavero discussed the communications between SPCSA staff and Quest Academy. He said he had received documents that he was unaware were going to be sent to him. At first, SPCSA staff was working with Quest to approve their purchase for a Kindergarten facility, but then Quest submitted new documents for the purchase for an entire new piece of property. Director Canavero felt the process did not go as well as he would have liked but what has happened has happened. He then gave a recommendation to the Authority for action. Director Canavero recommended approval subject to staff review of the information that was received in response to the October 16th letter. Staff would have two weeks to approve the new information and in the event there is no approval, then the request is a denial.

President Conaboy agreed with the recommendation and asked for a motion from the Authority.

Michael Van motioned for approval subject to staff review of the information that was received in response to the October 16th letter. Staff would have two weeks to approve the new information and in the event there is no approval, then the request is a denial. Member McCord seconded. Discussion between Authority members ensued.

Vice President Wahl was not comfortable with the motion because the Authority would be approving something that SPCSA staff and Authority members had not read. Vice President Wahl asked Director Canavero if he felt that it would be feasible to work within the timeframe that was being included in the motion. Director Canavero said yes he felt the timeline was feasible. Member McCord asked Director Canavero if Quest Academy had been a good-faith partner during this process. Director Canavero said yes Quest Academy had been a good-faith partner. Member Van was asked to repeat the motion for the vote.

Michael Van motioned for approval subject to staff review of the information that was received in response to the October 16th letter. Staff would have two weeks to approve the new information and in the event there is no approval, then the request is a denial. Member McCord seconded. Motion carried unanimously. (Abelman Abstained)

Agenda Item 18 - Consideration regarding the Application Review Team's recommendation of Nevada Performance Academy's charter school application

Director Canavero began by outlining the SPCSA staff's recommendation for Nevada Performance Academy: 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.

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.

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.

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.

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. 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.

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. 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 to Form then testified before the Authority. Before they began their testimony Member McCord disclosed his longtime friendship with Eugene Paslov, but did not affect any of the review of the charter application. David Papke and Eugene Paslov gave a brief history of themselves and that asked if the Authority had any questions for the CTF. President Conaboy asked how the curriculum would be arts-infused. Mr. Papke said that a blended school has to use an approved curriculum but often times that curriculum may not be the best delivery for the online environment. He said some modifications of the approved courseware would be needed in order to ensure the arts-infusion would be made within the curriculum. Member Abelman asked why the school had decided not to hire an business or financial manager. Mr. Papke ensured the Authority that they would be moving to hire that person. President Conaboy asked how the school panned on recruiting students. Dr. Paslov said that they have a marketing plan that was included in the application including establishing town hall meetings, blogs, and members of the CTF are already lining up parents of students who would like to see their children attend.

Vice President Wahl made a motion for approval of the staff recommendation for approval of the Subsection 7 Charter for Nevada Performance Academy. Member Abelman seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 19 - Consideration regarding the Application Review Team's recommendation of Northern Nevada High School's charter school application

Director Canavero began by detailing the SPCSA staff's recommendation:

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.

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. 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.

The Operations Plan did not meet criteria for approval due to a number of reasons. 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.

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. 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. Northern Nevada High School proposed to replicate the Nevada State High School model currently operating in Clark County.

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.

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. 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.

President Conaboy then asked Director Canavero to clarify the last point made in the staff recommendation about the Evidence of Capacity because she felt the CTF was nowhere near the point of being able to successfully run the school. Director Canavero said it truly would be it up to the CTF and their ability to recognize the weaknesses in the CTF and remedy that by bringing the necessary expertise to the committee.

Northern Nevada High School's CTF then testified before the Authority. Each gave a background of how and why they got involved with the Northern Nevada Charter Application. Member Mackedon asked how the relationships with the areas colleges were going to work once the school opened. The CTF said that while the relationships may not be as developed as they would like they would continue working with the areas colleges to ensure the college prep classes they offer are accepted by those colleges. Members of the Authority expressed concern with some of the "holes" in the application.

Member McCord made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Northern Nevada High School. Member Van seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 20 - Consideration of the Application Review Team's recommendation of Sterling Charter High School North's charter school application

Director Canavero began by giving the SPCSA staff's recommendation for Sterling Charter High School North's charter application:

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.

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.

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 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. 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. 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. 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. 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.

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. 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.

The CTF members then testified before the Authority. All the CTF members had extensive experience work in fields with troubled teens. Vice President Wahl asked for clarification on the 250 days scheduling for pupils at Sterling Charter High School North. The CTF said that it is a 250 day a year school year and pupils will earn credit based on that schedule. The school is unique because it is a residential treatment program and that is the reason for the 250 day school year.

Member Mackedon made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for Sterling Charter High School North. Member McCord seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 21 - Consideration of the Application Review Team's recommendation of The Clark School's charter school application

Director Canvero detailed SPCSA staff's recommendation for The Clark School:

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.

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 RtI 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.

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

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. 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. 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. 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. 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.

Kathryn Kelly spoke on behalf of The Clark School's CTF. She said there were some deficiencies in the application but the CTF was working hard to fill in the missing documents. Member McCord asked about the enrollment projections made by The Clark School. Dr. Kelly said the school would be economically viable with 60 students. Member Luna asked if Dr. Kelly and her CTF would be resubmitting the application. Dr. Kelly said that they were planning on resubmitting the application with the necessary changes to make the application whole. Vice President Wahl asked about the financial knowledge of the CTF and how they would ensure the proper funding is used to make the school viable. Dr. Kelly said while she appreciated the questions, Jim Clark and Stacey Cooper have been very helpful in walking through the budgeting process and she was confident the budgeted amounts were viable. Member McCord asked for clarification of how the eLearning Café is in existence right now. Dr. Kelly said it is a 501(c)(3) with agreements with the Washoe County School District. She also said the eLearning Café would be a separate entity from The Clark School, but may provide supplementary instruction to The Clark School's pupils. Member McCord asked if the eLearning Café would serve as a proxy for The Clark School so parents would not have to bear the cost of attending the eLearning Café. Dr. Kelly said that students could take some classes through eLearning Café if certain classes were not offered through The Clark School. Vice President Wahl asked Dr. Kelly about the 250 day school year included in the application. Dr. Kelly said they would not require the students to have to attend 250 days a year. She said the days will be available for the students if they choose to have additional elective coursework. Vice President Wahl asked if the school plans on being a distance education, along with site-based learning. Dr. Kelly said the school was definitely a blended learning school, but she disagreed with the school being classified as a distance education school. Vice President Wahl clarified that if any of the coursework is offered online the school must put together a distance education application with the Nevada Department of Education. Director Canavero added that the review team had similar questions during the capacity interview and this was an issue that still needed clarification by the CTF. President Conaboy asked if The Clark School was modeled after Nevada State High School in Henderson Nevada. Dr. Kelly said they weren't exactly modeled after them, but of all the charter schools, NSHS offered the most for their school to learn from.

President Conaboy asked Dr. Miley to speak on behalf of her work in putting together The Clark School's charter application. Dr. Miley said she was focused on economic development in the Incline Village area along with educational and cultural development too. She believes that The Clark School would offer an educational choice that was currently not available to residents of the Incline Village area.

President Conaboy asked Dr. Kelly if she would like to respond to some of the opposition that was brought up during the Public Comment portion of the meeting. Dr. Kelly said she had not heard the days' public comment, but she had a pretty good idea what was said. She said she created a pamphlet that was passed around the

Incline Village area asking for comments with regard to The Clark School. She said she feels she tried to make the community aware and called on them for their opinion on the development of the application.

Member McCord made a motion for approval of the staff recommendation for denial of the Subsection 7 Charter for The Clark School. Member Van seconded the motion. No discussion took place. The motion carried unanimously.

Agenda Item 22 - Discussion and possible action identifying future agenda items

Member McCord asked that the Authority consider the performance levels of the Authority-sponsored schools. He thought that the Authority needs to bring forward some performance measures and with those some action may need to be taken. Director Canavero said there is a lot of data that is available and SPCSA staff could compile that information for the Authority and would present it at a later meeting. President Conaboy also added that staff should develop a chart that shows where the state-sponsored charter schools were on their renewal schedules. Vice President Wahl asked for a synopsis of each of the school's independent financial audits that are done each year. Member McCord suggested that the Authority ask each of the schools to share their management letters that come out of each of the audits.

Deputy Attorney Chesney added that further training for the Authority members is always something that he would recommend. President Conaboy also asked what the status was with contested hearings. Deputy Attorney General Chesney said that he and Director Canavero had been working on it and he recommended putting it on an agenda at a later meeting.

Agenda Item 23 – Member Comment

Vice President Wahl said how much she enjoys being on the Authority and all the work that entails. President Conaboy congratulated SPCSA staff for the work that went into the 2012 Charter Application Review. She said she felt that staff had met, and exceeded, the statutory requirements and they should be commended for their effort.

Agenda Item 24 – Public Comment

Dr. John Hawk, Charter School Association of Nevada President, informed the Authority of a CSAN mixer that was going to be hosted both in Las Vegas and in Reno in the coming weeks. He also commended the work done by both staff and the Authority with regard to the 2012 Charter Application review. Dr. Hawk also added that Nevada State High School felt that charter schools need to be held accountable to results.

Director Canavero read into record the public comment that was submitted in opposition to The Clark School in Incline Village. All of the letters can be found attached to these minutes.

Dr. Kelly responded to public comment read into the record by Director Canavero and asked if all the comments received by staff were negative towards the idea of The Clark School. Director Canavero said that the theme in the letters was surprise, grave concern, and other opposition contained in the letters received.

Agenda Item 25 – Future Meeting Dates

The next SPCSA board meeting date was not decided, but a date sometime in January was initially agreed upon.

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

The meeting was adjourned at 2:22 p.m.