

**NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**November 1, 2013**

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**

**BOARD MEMBERS PRESENT:**

**In Las Vegas:**

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

**In Carson City**

None

**BOARD MEMBERS ABSENT**

None

**AUTHORITY STAFF PRESENT:**

**In Las Vegas:**

Steve Canavero PhD, Director, State Public Charter School Authority  
Tom McCormack, Education Program Professional, State Public Charter School Authority  
Traci House, Business Process Analyst, State Public Charter School Authority

**In Reno:**

Katherine Rohrer, Education Program Professional, State Public Charter School Authority  
Angela Blair, Education Program Professional, State Public Charter School Authority  
Kathy Robson, Education Program Professional, State Public Charter School Authority  
Brian Flanner, Administrative Services Officer, State Public Charter School Authority

Allyson Kellogg, Management Analyst, State Public Charter School Authority  
Katie Higday, Management Analyst, 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:**

Jim LaBuda  
Matt Flowers  
Rich Moreno  
Lawrence Howell  
Rosalinda Kubala  
Heather Howell  
Mark Hesiak  
Ken Fowler  
Brenda Flank  
Ryan Reeves  
David Meckley  
Porter Troutman  
Steven Grubaugh  
Greg Leavitt  
Mario Biasiueci  
Jeff Geihs  
Erik Francis  
Sandra Breece  
Iliana Arroyo  
John Hawk  
Ercan Aydogdu  
Wedni Hawk  
Tiffani Turner  
Erika Capulo  
Chuck Edwards  
Nicholas Oyola  
Renee Fairless  
Adalberto Ronquillo

**In Carson City:**

Steve Werlein

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

President Conaboy called the meeting to order at 9:00am with attendance as reflected above.

**Agenda Item - Public Comment**

None

**Agenda Item 2 – Approval of August 23, 2013 SPCSA Minutes**

Member Abelman had a few minor edits to the draft minutes.

**Member Abelman moved for approval of the August 24, 2013 minutes. Member McCord seconded. The motion carried unanimously.**

**Agenda Item 3 – Authority Update**

Chair Conaboy wanted to ensure that each board member went through the NAC revisions that staff had been working on and to provide feedback and recommendations on the work that had been done thus far. Chair Conaboy also said that Member Abelman be part of the Governance Committee along with herself.

The Legislative Committee on Education had finalized their appointments for the upcoming interim committee with Joyce Woodhouse chairing and Elliot Anderson as the vice chair. There was also a K-12 Funding Committee that would be meeting during the interim to work on the state's Distributive Account funding.

Chair Conaboy also asked that Member McCord and Member Luna continue in their role on the Legislative subcommittee and both agreed to the request.

Chair Conaboy asked for an overview of the NACSA Leadership conference attendees. Member Wahl provided all of the members her notes from the conference. Member Wahl explained that there was a pre-conference for state authorizers prior to the full conference, which she found very valuable. At the full conference she said one of her biggest takeaways was the need for a development of an alternative framework for schools that do not fit the Nevada School Performance Framework.

**Agenda Item 4 – Director's Report**

Director Canavero began his presentation with the Special Education Memorandum of Understanding (MOU). At the prior Authority meeting staff was tasked with the development of the MOU and had met with the charter schools and contracted with lawyer, Paul O'Neill, to work on the MOU. Director Canavero said that he felt that schools' concerns were lessened after they had the opportunity to give input on the MOU and make sure their concerns would be considered in the final draft.

Director Canavero also discussed the timeline for the NAC revisions would have. He also clarified that the State Board of Education is the body that has the control over the education NAC's and that they would be the ones to ultimately act on the SPCSA's recommendations.

Director Canavero also explained his meeting with various stakeholders in Las Vegas to try and work on ways to bring successful charter operators to come to Nevada. The group also discussed how to incubate charter operators from within Nevada to help bring quality charter schools to areas in the state that needs them.

Member Mackedon gave an update regarding her work with the Charter School Association of Nevada. The group had just amended their bylaws in order to allow businesses and other groups interested in schools choice the ability to gain membership in CSAN.

**Agenda Item 5 – Consideration regarding the Application Review Team's recommendation of Academy of Arts and Sciences' charter school application**

Director Canavero began with the recommendation report for Academy of Arts and Sciences:

The Education Program did not meet criteria for approval due to a number of reasons, the most prominent of which are discussed below.

The review team's overarching concern was that elements of the Education Program lacked detail, coordination, and frequently were not aligned with other aspects of the proposal. The proposed school's name and mission implies that the arts and sciences are critical components to the school's theory of action; however, the applicants did not substantiate this focus throughout the application. During the interview the Committee to Form did provide some examples of how the arts and sciences may be included in the instruction at the proposed school but given the prominence of arts and sciences in the school's name and mission the review team would expect clear focus and integration of the arts and sciences throughout the model proposed in the application. Further, the International Baccalaureate (IB) program is mentioned in the mission and several times throughout the application as a desirable program that will attract students to the school but nowhere in the application or appendices is it explained how the IB Program will be implemented at AAS.

The role of the Learning Center Hub and self-described "blended" program remain unclear. It appears participation in the in-person Learning Center Hub activities will be at the discretion of the student when/if a Learning Hub Center is within geographic proximity. The review team concludes that AAS is a distance education school even though it is referred to as a "blended" school throughout the application. The plan for professional development lacked sufficient detail to determine whether it is comprehensive and sustainable. In a list of responsibilities of a principal, the only reference to professional development is this short phrase: "Arrange for appropriate professional development."

The Operations Plan did not meet the criteria for approval because the application failed to provide a coherent plan that appears viable and adequate for the effective implementation of the proposed plan.

The Committee to Form did not include a sound plan and timeline for board recruitment, expansion, orientation of new members and ongoing training. The only training identified for board members would be regarding the Brown Act which appears to be a California specific law governing open meetings. This is a significant omission given the 2013 Call for Quality Charter Schools theme placing an emphasis on effective school governance. Aside from letting community members attend board meetings, there is no effective plan for involving parents, professional educators and the community in the governance of the school.

The Committee to Form did not clearly delineate the roles and responsibilities for administering the school nor include a staffing plan that appears viable and adequate for effective implementation of the proposed program. The review team noted a number of inconsistencies between the plan outlined in this section and the contractual relationship described in the Academy of Arts and Sciences EMO contract. For example, the narrative states: "The Leadership Team will be responsible for creating a staffing plan that will allow for growth as the school grows" though the contract states that all hiring and termination decisions will be conducted by the EMO, Academy of Arts and Sciences.

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, the section describing how teachers will be evaluated states: "The Charter School will abide by the additional evaluation methods that are currently being put in place with the intention of full implementation by 2015." The Assurances were signed by Julie Troletti who is not a member of the Committee to Form the School. The Teacher Recruitment paragraph is unfinished.

The Financial Plan does not meet criteria for approval because it fails to demonstrate an understanding of basic budgeting concepts and the school's financial management obligations. It does not present a budget that aligns

with and supports the academic and operational portions of the school's plan. It presents vague strategies for meeting potential cash flow challenges. It does not demonstrate a commitment to maintaining the financial viability of the school. The number of mistakes in the budgets and cash flow statements undermine the Review Team's confidence in the proposed school.

Financial information that was included with the application received by the deadline was critically incomplete and contained major omissions and errors. The applicant re-submitted financial information after the submission deadline that is still incomplete and full of errors.

Both years are materially misstated because neither includes a beginning cash balance and DSA per pupil amounts for each year are from 3/31/2010.

Cash flow statements include beginning cash balances and expenditures that differ from budgeted amounts, thereby yielding different ending cash balances of \$116,616 for FY15 & \$244,247 for FY16.

The applicant submitted 9 lines of "Budget Narrative" text that does not describe the details of the budget and illustrates a fundamental lack of understanding of Required Element C.1.2. The lack of information renders the budgets unreviewable; impossible to determine if the budget is based on realistic, evidence based revenue and expenditure assumptions.

The review team is unclear why the proposed school submitted a third budget, for the current school year, 2013-14. It includes \$500,000 of direct federal grant money and \$465,000 of undefined expenditures. The table of contents listed a Pre-opening budget as attachment C.1.5, which was not included. There is no explanation for the stated minimum number of students (75) to make the school financially viable. Also missing is Required Element C.2.8, the break-even cash flow statement.

The response to B 3.1 in the 2013 Call for Quality Charter Schools is incomplete and inadequate. The Committee to Form is encouraged to review the evaluation criteria, and the statute and regulation referenced within this section of the Call for Quality Charter Schools as well as the required elements of B 3.1. All the AAS\_EMO schools opened recently (in 2012 or 2013), thus any track record is necessarily of limited scope. In fact, the applicant reports there are no test scores which AAS\_EMO can report from its previously opened schools.

The application contains no evidence of the financial health of AAS\_EMO as demonstrated through an independent financial audit and its most recent annual report.

The contract provided in the application includes provisions that violate statute (NRS 386.562) and regulation.

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.

Although some relationship between and EMO and Committee to Form is understandable, there is a troubling lack of separation between the proposed EMO and the proposed school. The liaison for the Committee to Form, Julie Troletti, does not appear to be a member of the Committee to Form (per Cover Sheet Instructions, the liaison must be a member of the Committee to Form) but according to Wesley's response to the Questionnaire, is the Director of Operations for Academy of Arts and Sciences (the EMO). Nuttall was informed of the opportunity to join the Committee to Form by Sean McManus, currently the California-based CEO of the EMO with which the school would partner.

The lack of separation between the EMO and the Committee to Form is compounded by the lack of clear delineation of roles and responsibilities within the design of the school's operations and the school's proposed contract with the EMO.

The Board Member Agreement signed by Wesley, Nuttall, and Stewart do not take the place of the Nevada charter school board affidavit.

The application does not inspire confidence that the proposed board has the requisite capacity to thoroughly oversee and steward a successful charter school.

The Academy of Arts and Sciences' Committee to Form was not present at the meeting and therefore did not present to the Authority.

**Member McCord moved for approval of the staff recommendation for denial of the Academy of Arts and Sciences' charter application. 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 The Education Academy of Nevada's charter school application**

Director Canavero then explained to the Authority that The Education Academy of Nevada had formally withdrawn their application and would not be heard by the Authority.

**Agenda Item 7 – Consideration regarding the Application Review Team's recommendation of The Founder Academy's charter school application**

Member Wahl disclosed that she knew Richard Moreno and Brenda Flank, but would not be affecting her voting.

Richard Moreno, Committee to Form Liaison, Mark Hessiac, Ken Fowler, Jeff Geist, Brenda Flank and Bob Beers presented on behalf of Founder Academy. Member Abelman disclosed that he had met with Mr. Beers for a different project, but that it would not affect his voting. Member McCord disclosed that Mr. Fowler and his wife had taught together before.

Mr. Hessiac began the presentation about Founders Academy and the mission and vision they would be instilling in the school. The mission of Founders Academy of Las Vegas is to train the minds and improve the hearts of young people through a rigorous, classical education in the liberal arts and sciences, with instruction in the principles of moral character and civic virtue. He said it was modeled after the Ridgeview Classical schools located in Colorado. The Ridgeview School was ranked in the top among public schools in the country. Mr. Hessiac also explained that The Founders Academy proposes to improve opportunities for student in grades K-12 by providing a rigorous, classical education, with instruction in the principles of moral character and civic virtue. The ultimate goal of Founders Academy is to develop the academic potential and personal character of each student. The educational program is based on the Core Knowledge Sequence and is modeled after Hillsdale College and its network of charter schools. Mr. Moreno also added that he felt that this model was exactly what the Authority was referring to earlier in the meeting and he felt that the operation would be second-to-none.

Chair Conaboy asked how the Committee to Form chose the Ridgeview model. He said that he felt this model would work everyone. He feels it will be a challenging school while still being accessible to all types of students.

Member McCord asked if Founders would be advocating a certain type of religion as Hillsdale College had been known to do. Mr. Moreno said no there would be no advocating of religions.

Director Canavero next moved onto the recommendation report for The Founders Academy:

The application approaches rather than meets standards due to several concerns expressed by the review team during the application review process.

Overall, the application presents a compelling mission statement that defines the purpose of the school with research-based evidence for selecting the proposed curriculum and instructional strategies. The application also demonstrates alignment between the chosen curriculum and the mission, vision, and educational philosophy. However, there are some areas of the education plan that need further clarification.

The professional development plan is not as detailed as some of the other sections of the application. The application indicates Barney Charter School Initiative will provide up to eleven days of professional development prior to the first day of school, and although the school calendar indicates that more time has been set aside for professional development, it is unclear exactly how this time will be utilized. The contract with Hillsdale College included with the application does not detail the Hillsdale role in providing professional development.

Rationale behind the selection of grades for the opening first year is troubling. Year one for a school can be instructionally and operationally complicated, and yet the application appears silent on the rationale behind starting with grade levels K-10 and the type of supports that the principal and board will receive in years one and two. Based on the interview it appears the Committee has given deference to Hillsdale's preference of a charter approved to serve all grades, i.e., K -12 and the ability to serve families with multiple students. Given the demographic make-up of the student population of the schools listed in Attachment A.7.3, the plans to address special need populations appears to lack detail specifically when addressing a support system to ensure that all students attain the goals addressed in A.2. Furthermore, the student recruitment plan fails to address possible strategies to attract diverse student populations into the school.

The Operations Plan approaches, rather than meets, the standard due to the Committee's desire to open in their first year serving 11 grade levels.

A number of questions raised by the review team were addressed by the Committee during the interview and provide the review team with information to assess the application in light of the review criteria. For example, multiple reviewers questioned the Committee's understanding of credentialing requirements for teachers in charter schools. The Committee was able to clarify their understanding which is in agreement with law and regulation.

The principle concern of the review team with the Operations Plan is the Committee's ability to successfully implement 11 grades in their first year of operation. The Operations Plan did not contain the level of detail and support the review team would expect of a school seeking such an ambitious and complex undertaking in their first year of operation. For example, a Vice Principal is proposed to be hired during the second year of operation or when enrollment exceeds 350 students.

The Financial Plan meets standard for approval because the plan demonstrates a comprehensive understanding of the school's financial management obligations and presents a budget that aligns with and supports the academic and operational portions of the application. It presents viable strategies for meeting potential cash flow challenges and demonstrates a commitment to maintaining the financial viability of the school.

Budget narratives are comprehensive and descriptive, giving the review team a clear financial understanding of the academic and operational portions of the application.

Cash flow statements contain adequate detail to tie back to the budget and the academic and operational portions of the application.

The review team notes that the financial plan projects \$240,000 in donations; \$80,000 by February, 2014 and \$80,000 during each budgeted year, FY15 and FY16. All three budgets could sustain a lesser amount of donations (as low as \$0), but the pre-opening period prior to 07/01/2014 is also dependent upon a loan from the Account for Charter Schools. This loan is an amount per student, making FY15 enrollment even more critical for this school than a school funding their pre-opening costs some other way.

The applicant states that the minimum number of enrolled students necessary for financial viability of the school is 300, but does not support the number with a break-even cash flow statement, Required Element C.2.8.

It appears there was sufficient due diligence employed in the Founders' Committee to Form selecting Rite of Passage, including receiving proposals from four other service providers. Rite of Passage was selected based on capacity, cost and that it was a Nevada-based corporation. Based on the audited financials provided by ROP, it appears ROP is not only solvent but turning a profit annually. Although ROP does not appear to have experience supporting a charter school with the educational model proposed by Founders, the scope of work is heavily weighted to "back-office" support.

The engagement of Hillsdale College is primarily centered on replicating an existing charter school model. The application includes evidence of performance for only one (Ridgeview Classical Academy) of the charter schools currently related to the Barney Charter School Initiative. Authority due diligence shows that the model has been successfully implemented in two other states; however, the student demographics of the Ridgeview Classical Academy in Colorado and the Founders Classical Academy in Texas are remarkably different from the student demographics of the schools listed on page 108 of the application. The most telling differences are in the student demographics centered-around FRL, ELL, and certain ethnicities.

The success of Founders Academy resides with the school's governing body and their ability to make the necessary adjustments to the program, as needed, to serve all students within the community. The review team believes the Committee to Form brings the necessary skills to enable such successful implementation of the model.

Three of the nine board members are educators (former teacher, retired principal, assistant superintendent). This does not include Councilman Anthony who served as a regent with the Nevada System of Higher Education for 10 years. The proposed board members also have the following areas of expertise: law, real estate, human resources, and accounting. Parents are also represented on the board.

There appears to be a common understanding of the school's mission and vision, all Committee members pointed out the "classical" focus of the education model and at least one educator implemented the "classical" model as a principal (Dr. Geihs).

The review team rating is based on the thoughtful growth plan for the school that includes k-8 in the first three years of operation and, based on performance, expanding the school's grade levels to include high school in subsequent years. The review team has reservations approving the school to serve 11 grade levels in its first year of operation.

The review team is confident that the Committee (and founding board) will successfully implement the program as described in the application and make the necessary adjustments, as needed, to serve all students within their proposed target location.



Director Canavero finished his presentation with the recommendation of: Approve K-10 with a contract to serve K-8 in years 1-3 with possible expansion to serve K-12 in years 4 and beyond based on performance of K-8 in first three years.

Founders Academy was asked back by Chair Conaboy to discuss staff's recommendation to approve the opening of the school for K-8 as opposed to K-10. Mr. Moreno asked to clarify regarding the grades that would be approved for opening. He said that during the application process the CTF decided to trim some of the narrative in their application in order to fit the 50 page maximum. He said that in their edits, they may have cut too much that left the review team confused regarding grades 9 and 10. He said that in order for the model to work the school would need to have K-10 in its first year. Mr. Beers also added that for financial reasons the school would require the K-10 approval as opposed to the K-8 approval. Discussion continued between the Authority and the CTF regarding the capacity of the CTF and its ability to ensure the success of the school with K-10.

**Member McCord made a motion for approval of Founders Academy's charter application for grades K-10 with a 1 year progression upwards and the requirement to report back to the Authority on the academic, operational, and financial performance of the high school. Member Van seconded. The motion carried unanimously.**

### **Agenda Item 9 - Consideration regarding the Application Review Team's recommendation of Legacy International's charter school application**

Chair Conaboy then called upon the Legacy Committee to Form to present the school's mission and academic goals. Dr. David Meckley, along with the CTF, presented that Legacy International's mission to create a school model based on research and data whose graduates are ranked in top 10% in the nation in academics and performance and recognized for their outstanding scholarship, character, leadership and community service. He also noted that Legacy International College Prep Academy proposes to prepare students in grades 4-12 to become responsible citizens and leaders in national and global arenas. The school proposes to use a blended distance education format and to target student athletes and performers. With a blended model, students would have the opportunity to complete coursework online from a variety of distance education providers such as Connections, Edmentum and Forest Trail, but also have the opportunity to work face-to-face with teachers located at a designated school site.

Director Canavero then presented staff's findings regarding Legacy International's charter school application:

The Education Program did not meet criteria for approval due to a number of reasons, the most prominent of which are discussed herein.

Although the application discusses some excellent foundational ideas and proposes to create a program that could potentially fill a need for students in the target area, there are a number of areas within the educational program that appear unfinished or not fully articulated.

The application discusses the vision of both public and private school adopting the model and having the school grow rapidly to 25 states and 3 foreign countries within its first five years of operation. This type of growth pattern is extreme, particularly for an entity that has never tried its model at full-scale. This assertion, combined with the fact that no detailed plan for how this growth would be executed or how the board would determine when the school was ready to replicate, was concerning.

The curriculum model, Flex/Enhanced Online Blended, is not presented with compelling research-based evidence. There is no apparent explanation why this particular model is necessary to producing graduates who

are ranked in the top 10% in the nation in academics and performance and recognized for their outstanding scholarship, character, leadership, and community service. It is also not completely clear what the educational model will look like once it is fully implemented especially in light of the federal licensing requirements for secondary core courses. At the interview it was apparent that the Committee has not given full consideration to their staffing plan and how, for example, hiring teachers through Connections Academy impacts their ability to evaluate and shape their instructional staff.

The school model has some preliminary plans addressing how to deal with the potentially frequent absences of student athletes/performers; however, despite the fact that coaches are specifically listed as cooperating with discipline and other plans, it is unclear how the school will formally engage with and gain buy-in from these professionals particularly given the school's plans to recruit from a variety of high-performance programs.

Overall, it is unclear to the reviewers if the Committee to Form the School has a solid understanding of the full implications of taking a partially implemented educational plan design (as defined by the Darling Tennis Club collaborative project) and implementing that design to full scale.

The following statement is of concern, because it indicates a lack of understanding regarding the supremacy of the board over any EMO with which the board may contract: "The School Board will either contract with an EMO, or the board itself establishes policy." An EMO should never be called upon to "establish policy" for a charter school; that's the school's board's job.

The proposed school is presented as a "blended learning" one. The application states "We will not accept...distance education only students into our programs." It's not clear how the school would differentiate between what it considers "distance education only students" and all other types of students. What are the types of students? Has the school confirmed with NDE (distance education staff and/or auditors) its distinction between "distance education only" students and students the school intends to enroll? It's not clear how this distinction complies with the guidance provided by the SPCSA, "Use of Online Curriculum..." Given the teacher credentialing requirements of NRS 386.590, it's not clear how four teachers could serve pupils in grades 4-12. Consistent with the comment within the Education Program section it was not clear in the application or interview that the Committee has fully explored and subsequently has a plan for hiring and evaluating instructional staff.

The following types of teachers are identified as staffing the school in year one and presumably employed by the school's board rather than by an EMO: "Four face to face classroom teachers [each with fairly highly specialized license endorsements]..." A fifth (despite the claim of "four") would be "certified in math/science," a highly sought-after teacher for whom the school would have stiff competition in hiring. But unless the distance education provider would also provide teachers (which would make the provider an EMO) the school would need to staff grades 4-8 classrooms (that would take at least 5 elementary-credentialed teachers) as well as core subject classrooms at grades 9-12. It is not clear whether the distance education provider will employ and provide to the school any teachers, and if so, which ones. If all teachers would be employed by the school's board, it's difficult to see how 4 (or 5) could meet the requirements of a grades 4-12 school. If the school anticipates no teachers of record to be provided by an EMO, the school will need to employ such teachers (fully credentialed) for all grade levels and core subject areas.

The facility plans raise a number of concerns, particularly related to the fact that the school intends to negotiate free space and has a very broad range of expected enrollment i.e., 30 – 4,000 students). The proposed EMO has been running a pilot program for two years which is currently housed in one of the spaces mentioned – yet one of the letters of support stated that this facility is already full (presumably making it unfit as a future site). Letters of support from other potential locations made no statements of interest or commitment to the idea of providing free space to the school.

The affidavits submitted are not the Assurances that are required. Provide the signed, notarized Assurances. The lottery method is not the one provided as a model by the SPCSA. If the school wishes to propose a lottery method other than the one provided as a model, it must explain all deviations from the model language. Note the material provided (p. 161) in the last two paragraphs is unnecessary if the model language is adopted.

The justification of performance for the LII (the proposed EMO) is reliant upon the success of a pilot program that has been in operation for three years. According to the interview the pilot project has worked with 18-20 students over the three year pilot. Data were provided in an attempt to extrapolate the performance of the pilot with other schools; however, the size of the pilot program and selective nature of the pilot student sample raise questions among the review team and the school's ability to scale the pilot successfully as a public school.

Given that the role of the EMO, as contemplated in the contracts, includes critical functions related to human capital as well as compliance and finance the questions raised in various sections of this review draw into question the EMO's ability to support Legacy in these important aspects of a school's operation. This concern is compounded by the Committee's rationale to contract with an EMO that is silent on providing services other than providing "...online teachers and an online curriculum in a blended program." It is important to note that the contracts specify a much broader delivery of services that include finance and management.

Additional evidence in the Committee's need to clarify how the two contracts align to efficiently serve the school is found within the scope of work considered under each and the apparent overlap in services. For example, the service agreement with the EMO includes human resource coordination – the EMO will identify and propose for employment qualified principals, teachers, etc... as well as professional development. The second contract, the Trademark License and Affiliation Agreement, includes a scope of work that appears to be included in the service agreement. For example, under the Affiliation Services the EMO will provide "staff selection and training; on site Head of School hiring and training."

The questions surrounding the performance of the existing pilot and lack of clear alignment between the application and various roles of the EMO result in an Approaches Standard rating.

The Committee to Form submitted an application to the Authority for consideration during the 2012 application cycle that was denied. As a result of the review process the Committee received a significant amount of feedback on the application submitted in 2012 – essentially providing a road map to improve the presentation of the Committee's vision for the school. It is apparent to the review team that last year's feedback resulted in some changes to and improvement in the application; however, critical concerns exist year over year. One significant area is the composition of the Committee to Form. The recommendation from 2012 included the following comment under Evidence of Capacity:

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.

The Committee did not fundamentally redesign itself to address the concern noted last year. The addition of two new members – Mr. Judd and Mr. Oyola – does not resolve the insular nature of the Committee. According to Mr. Judd's response to the questionnaire he was informed of the opportunity to serve on the Committee by Dr. Levitt, a principal of the EMO. Mr. Oyola was made aware of the opportunity to serve on the Committee through Ms. Banks, who is also on the Committee. It is unclear whether Ms. Banks has any supervisory responsibility over Mr. Oyola at the Venetian Resort where both work in gaming.

The review team considers the members of the Committee to be highly capable and knowledgeable professionals that may well serve as a school's governing body. However, there appears to be a fundamental and important disconnect between the Committees' capacity and the application submitted for consideration.

After Director Canavero finished his report, Legacy's CTF then came back to discuss the findings with the Authority. The Authority asked questions regarding enrollment projections, school scheduling, and the relationship between the EMO and the charter school itself. The Authority was concerned that the EMO would have too much control over the school's governing body and that the relationship would not be conducive to the governing body being able to hold the EMO accountable. Dr. Meckley said the school would have policy control and the EMO would be consulted but not relied upon to develop those policies. Discussion was also held regarding the distance education portion of the application and the distance education application that had been submitted to the Nevada Department of Education.

**Member Abelman moved for approval of the staff recommendation for denial of the Legacy International College Preparatory Academy's charter application. Member Mackedon seconded the motion. No discussion took place. The motion carried unanimously.**

### **Agenda Item 9 - Consideration regarding the Application Review Team's recommendation of Mater Academy's charter school application**

Sheila Moulton and members of Mater Academy's CTF began their presentation with the school's mission and academic goals. The mission of Mater Academy of Nevada is to provide an innovative, challenging, multi-cultural curriculum, preparing students to be global citizens and have a competitive edge in the 21st century workforce. Mater Academy of Nevada aspires to have students to obtain a thirst for knowledge and a belief in the students' self-efficacy. We strive to have the Mater Academy of Nevada community to be actively involved in the learning of its students. The Mater Academy proposes to improve the academic achievement of at-risk pupils in grades K-8 by providing an innovative, challenging, multi-cultural curriculum. The ultimate goal of Mater Academy is to prepare students to be global citizens who have a competitive edge in the 21<sup>st</sup> century workforce. Instructional strategies include the use of teacher modeling, scaffolding, group practice, peer teaching, integration, and practice and review. The educational program of this school is modeled after Mater Academies located in Florida.

Director Canavero then detailed the Mater Academy's Charter Recommendation:

The application only partially meets standard. Although the application presents a compelling research-based mission, vision, and educational philosophy, the application does not clearly demonstrate alignment between the mission, vision, and educational philosophy with the school's curriculum, pedagogy, professional development plan, and targeted at-risk population.

The mission, vision, and educational philosophy detailed in the application are aligned and embedded in research around Partnership for 21<sup>st</sup> century skills and Ted Sizer's Coalition of Essential Schools Common Principles. However, the mission statement mentions global citizens and a multi-cultural curriculum, but the vision and educational philosophy fail to explicitly call these out and explain how the school will obtain this part of the mission. Furthermore, the curriculum model, instructional strategies, and professional development plan fail to align with the mission, vision, and educational philosophy. The overview of the curriculum is comparatively silent on the uniqueness of the at-risk population being targeted nor does it speak to multi-culturalism, self-efficacy, cross-cultural competence, college and career readiness, or the 21<sup>st</sup> century key skills outlined and defended in A.1 of the application.

The application indicates that Mater Academy of Nevada is replicating the Florida Mater Academy charter school network which is a "National Demonstration School for the College Board's Springboard curriculum which promotes critical thinking and segues into AP coursework." However, the application fails to

sufficiently describe the curriculum being replicated in order to produce the results outlined in section A.2.4. Nor does the application provide sufficient detail to determine faithfulness to the Mater school model in Florida.

Only one educational goal written in A.2 is connected to the at-risk population being targeted. But specifics on how the desired outcomes would be obtained were not discussed in the curriculum, instructional strategies, and professional development plan. The application indicated that Mater Academy would provide onsite professional development. It also indicated that on-site coaching in instructional strategies for students of poverty, at-risk and ELL would be provided. However, the apparent connection between the instructional strategies in A.3.12 and professional development in A.3.13 is missing.

Overall, the application fails to create a clear picture of how the mission, vision, and educational philosophy so clearly defined in the beginning of the application can be obtained using the current education plan outlined in the rest of section A. It is also not clear how the curriculum, instructional strategies, and professional development plan will meet the specific needs of the at-risk student population being targeted.

The application did not present a staffing plan that appears viable and adequate for effective implementation of the proposed Educational Program. The review team's primary concern is the lack of alignment between the school's mission, vision and target population and the qualifications or skills needed to teach at Mater Academy of Nevada. The staffing plan read as if it could be applied to any school with no unique qualifications or skills identified for the instructional leader and teachers that directly ties to the Education Program, no mention of ESL or bilingual certification, and no mention of experience or knowledge of working with students living in poverty. Further, Attachment 3.2 states that students may be provided instruction in Spanish – the school will need bilingual teachers in order to meet this need but there is no mention in the Operations Plan of how the school plans to overcome this challenging staffing requirement. Based on the Operations Plan, it does not appear to the review team that the Committee is well versed in the abundant literature on the topic of attracting and retaining effective teachers in high need schools.

The organizational chart was rather unclear, listing both Academica and the board as overseeing the principal. Teacher aids do not appear to have any direct connection to the principal implying that they are to be supervised and evaluated by teaching staff. The budget section of the application also indicates there will be only three of these staff members.

No plan for the evaluation of the school leader was apparent.

The Committee's decision to affiliate with Mater Academy, Inc. is worthy of discussion. According to the application and the interview it appears the Mater Academy, Inc. affiliation was introduced to the Committee by representatives from Academica, and it was Academica that recommended a partnership with Mater Academy, Inc. Whether the Committee independently researched other "designs" or models is not expressly stated within the application. It is entirely unclear what the Committee gains from such an affiliation given the present expertise represented on the Committee.

The application did not contain a clear plan or timeline for hiring the school leader, nor did the Committee articulate who would be responsible for which day-to-day activities of the school beyond the fact that Academica will take care of most business functions.

Responses to several questionnaire items are missing from all members of the Committee which are questions regarding conflict of interest disclosure.

The Financial Plan does not meet criteria for approval because it fails to demonstrate an understanding of the school's financial management obligations. It does not present a budget that aligns with and supports the

school's plan. The number of mistakes in the budgets and cash flow statements undermines the review team's confidence in the proposed school.

The proposed school's strategy for meeting potential cash flow challenges is entirely dependent upon per student enrollment fee reductions from its EMO and forgiveness of a loan by the EMO if the proposed school is not granted a charter. Such cost reduction measures are dependent upon an unrelated entity and present the appearance of a relationship that is not "arm's-length" in nature.

Budget narratives do not always support the numbers included in the budget nor are they always the same numbers included in the cash flow statement. Such inconsistency leaves the review team uncertain, when there is a difference, which numbers and narratives upon which to rely, making it impossible to determine if the budget is based on realistic, evidence based revenue and expenditure assumptions.

What appears to be a pre-opening budget (not labeled) relies wholly on a line item described as donations, yet the budget narrative describes the revenue as a loan from the EMO. Further complicating this understanding, no loan repayment is included in the cash flow statements.

There is no explanation for the stated minimum number of students (125) to make the school financially viable, including no break-even cash flow statement, Required Element C.2.8.

The printed cash flow statements delivered to the Authority were truncated such that there were no revenue or expense titles or total columns, rendering them unreviewable. Fortunately, the review team was able to reprint the documents from the electronic application. Nevertheless, this combined with math errors and inaccurate budget narratives further undermines the review team's confidence in the proposed school's Financial Plan.

The proposed contract between Academica Nevada, Inc. and Mater Academy of Nevada submitted with the application contained a prohibited provisions specified by NRS 386.562 (i.e., an initial term of 6 years).

Academica Nevada, LLC currently has active contracts with three existing Nevada charter schools: Pinecrest Academy, Somerset Academy and Doral Academy. Somerset Academy became operational in fall 2011 and Pinecrest in fall 2012 and Doral in fall of 2013. In terms of operational performance the Authority's experience with the schools has been positive. In terms of financial performance for Pinecrest and Somerset, the Authority profile indicators are strong, both in the near term and from a sustainability perspective. There are no data for Doral as it became operational this year.

Thus far, all Committees that elected to contract with Academica Nevada, Inc. have also elected to "replicate" a charter school and therefore engage in an affiliation agreement with the charter school located in Florida. With respect to the "replication" and affiliation agreement, in terms of academic performance, Pinecrest received "Approaches" on the Authority framework and 3 Stars (k-6 and 7-8) from the state, Somerset Academy received "Adequate" on the Authority framework and 4 Stars (k-6 and 7-8) from the state. Again, no data exists for Doral as it is in the first year of operation.

Although performance of the Mater Academy, Inc. family of schools initially looked relatively strong (8/23 receive an A from Florida, 2/23 receive a B from Florida), out of 23 total schools open in Florida, 2/23 received a C, 1/23 receive a D, 5/23 were too small to report, 1/23 received an I, and the remainder, 4/23 are too new to receive a letter grade. Over 1/3 of the portfolio appears to be three or less years old.

The Trademark License and Affiliation Agreement between Mater Academy, Inc. and Mater Academy of Nevada allow the school to use the Mater Academy name in the development of the school and to promote the fact that the school will affiliate with Mater Academy and replicate its successful educational best practices and methods. Additionally, the agreement provides for Mater Academy, Inc to monitor the conduct and performance of the school and provide on-site training, assistance with attainment of accreditation and other areas identified by Mater Academy of Nevada. Given the narrative of the application did not address the desire

for this partnership in-depth, it is critical to determine the extent to which Mater Academy, Inc. leadership team (and which members) are prepared to devote themselves to actively assisting in the implementation of their program on the other side of the country.

The Committee to Form brings a wide array of experience and expertise to found and sustain a quality school. The Evidence of Capacity only partially met criteria for approval due to concerns noted in the recommendation report. The review team observes a fundamental disconnect between the Committee's wealth of experience and knowledge and the sections of the application that convey a rather generic approach. The interview made clear that members of the Committee have the expertise to provide the detail within the application to align all sections to their compelling mission to serve this at-risk population.

Given the knowledge and experience of the Committee and the application the review team questions the "value add" of the affiliation with Mater Academy, Inc. Based on the interview and academic results it was not evident that the Mater Academy, Inc. model is well defined or that they have "cracked the code" resulting in significant academic gains across the network of schools. Alternatively, the Committee was well versed in strategies and tools needed to be successful in working with their proposed at-risk target population. The review team has confidence that the proposed governing body has the capacity to remedy the identified deficiencies within this report and resubmit the application within the 30-day resubmission window.

Members of Mater Academy's CTF and the Authority discussed the at-risk designation of the application. SPCSA staff had noted that the research involved in choosing the at-risk determination was not fully thought through. The Authority recommended that this portion of the application be strengthened during the resubmittal. Member McCord thanked the committee for their dedication to providing quality education for pupils who need in most in Clark County.

**Member McCord moved for approval of the staff recommendation for denial of the Mater Academy's charter application. Member Van seconded the motion. No discussion took place. The motion carried unanimously.**

### **Agenda Item 10 - Consideration regarding the Application Review Team's recommendation of Nevada State High School II's charter school application**

Dr. John Hawk, CTF liaison, Dr. Wendi Hawk and NSHS II CTF members presented their mission to the Authority. NV State High School II proposes to create a dual credit high school where students in grades 11-12 can complete their high school graduation requirements while enrolled in college courses. The purpose of the school is to develop future professionals with the habits for college success. The proposed instructional delivery is a supported dual-enrollment model following a college school calendar year supported by three high school elective courses designed to provide students with the necessary skills for college success.

Director Canavero moved to detailing the Nevada State High School II's Charter Recommendation:

The application only approaches standards due to a few concerns articulated by the reviewers. Overall, the application is cohesive and describes a promising model that is already working in a current charter school. The application provides justification for the decision to use a college-like environment where students are able to take actual college courses during grades 11 and 12 rather than providing a more typical college-prep course sequence in a high school setting.

Some of the concerns expressed by the reviewers included the lack of detail concerning an in-depth discussion regarding need for the school with members of the new community where the school will be located, the school's discipline plan which appears to be designed to remove students who do not already fit the college bound mold, and the fact that the calendar is not approved by the Authority, rather approval/denial remains within the jurisdiction of the Nevada Department of Education.

Collectively these concerns lead the reviewers to question whether the school will be increasing the percentage of students who graduate and attend college or merely will be facilitating the inevitable success of some of the targeted area's most well-positioned students.

The application positions the founding board appropriately in relation to the concept of governance versus management. The board has identified the need to appropriately orient new members and to provide ongoing training to those serving on the board. The application provides a detailed accounting of how the board intends to seek highly qualified new members. The school's statement on page 35 alluding to the fact that there will be times when outside assistance is needed to determine the correct course of action, and the board will not hesitate to seek such assistance, appears proper and a positive indicator.

Although not in the application the interview did address a review team concern regarding an organizational structure that includes part-time administration at the NSHS II that will result in a part-time administration at NSHS. The Committee's rationale for part-time administration centered on budgetary concerns with the goal of transitioning both Hawks to full-time at NSHS II and hiring a new administration for NSHS. The Committee referred to this strategy as a "bread crumb approach".

It's not clear why two different enrollment window dates are provided (April 15, 2014, and May 1-15). The lottery description in the application does not completely match that offered as guidance by the proposed sponsor (see the SPCSA website; see "Resources for Schools"). The applicant needs to either explain variations from the guidance provided by the proposed sponsor or use the language suggested by the proposed sponsor.

The Financial Plan meets standard for approval because the plan demonstrates an understanding of the school's financial management obligations and presents a budget that aligns with and supports the academic and operational portions of the application. It presents viable strategies for meeting potential cash flow challenges and demonstrates a commitment to maintaining the financial viability of the school.

Budget narratives are comprehensive and descriptive, giving the review team a clear financial understanding of the academic and operational portions of the application.

Cash flow statements contain adequate detail to tie back to the budget and the academic and operational portions of the application.

The application is based on per pupil funding from 4/25/2012, overstating revenue by less than 1% each year.

FY15 & FY16 budget for receipt of \$10,000 of federal E-Rate telecom/internet funding. Receipt of these funds is uncertain, but not critical to the sustainability of the budget.

The pre-opening budget submitted in response to Required Element C.1.5 comprehensively documents projected expenditures of \$100,000, but does not indicate a source of revenue to pay for them. The review team's concern is minimized by the inclusion in both the budget and the cash flow statements of repayment of a \$100,000 loan.

The applicant states that the minimum number of enrolled students necessary for financial viability of the school is 65, but does not support the number with a break-even cash flow statement, Required Element C.2.8.

A cornerstone of the Authority's strategic plan's theory of action is the replication of successful schools. Existing models seeking to replicate within Nevada provide the Authority with a performance basis to assess the future performance of a replicated school.



Nevada State High School II 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 nine years. The school has consistently made AYP and has consistently, since 2005, been designated as either high achieving status or exemplary. Nevada State High School was designated as a "Quality" charter school according to the Authority's performance framework. Graduation rates for Nevada State High School have also been consistently high, being reported at 100% for most years.

NSHS's June 30, 2013 Financial Performance Framework profile indicators are strong, both in the near term and from a sustainability perspective.

NSHS's independent audit report annually shows that their financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate remaining fund information, and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America. The auditor's consideration of internal control over financial reporting did not identify any deficiencies in internal control considered to be material weaknesses. Nevada State High School's outcomes are compelling and provide evidence of an effective program for Clark County.

The review team understands the construction of the Committee to Form includes three different "roles" that differentiate a member that serves the Committee to develop and submit the application versus those members of the Committee that apparently will serve on the school's first governing body. The primary concern of the review team is the insular nature of the Committee and lack of prior board experience of its members.

The Committee to Form includes five of the nine members that are either currently employed by NSHS or plan to be employed by NSHS II. It was unclear to the review team the benefit of composing the Committee in this manner given the obvious questions raised by having a supervisor/employee serve on the same Committee. Only one, Ms. Holdaway, member of the Committee to Form has prior experience serving on the PTA at Bonner Elementary School.

The role of the Hawks in scaling NSHS to two campuses is critically important and considered an asset to this proposal; however, equally important will be the role of strong governance to ensure the continued success of NSHS and the successful implementation of the independent NSHS II. The insular quality of the CTF manifests itself in, among other things, an apparent over-dependence on the administrators John and Wendi Hawk. Those acquainted with the "flagship school" and this application for replication of the flagship school may find it difficult to picture the continuation of either school should the Hawks for any reason leave employment at the school. Application reviewers are aware of no administrative succession plan for either the flagship or proposed schools.

Expanding the Committee to Form to include members with board experience who are neither employees, contractors nor relatives would improve the application. Developing a succession plan is necessary to ensure the continued performance of NSHS and the successful start-up and ongoing operations of NSHS II.

After Director Canavero completed his presentation, NSHS II's CTF then were called back to discuss the SPCSA staff's findings. One point of clarification for the Authority was the decision to start an entirely new school that would be autonomous from Nevada State High School I. The issue of capacity was raised; however Members McCord and Mackedon liked the idea of the two schools standing alone on their own successes or failures. Director Canavero also added that with this replication, there would be two unique boards that would each oversee the two separate schools.

**Member McCord made a motion for approval of the staff recommendation for denial of Nevada State High School II's charter application. Member Abelman seconded the motion. No discussion took place. The motion was unanimous.**

**Agenda Item 11 - Consideration regarding the Application Review Team's recommendation of Telesis Academy's charter school application**

Dr. Sandra Breece along with Telesis Academy's CTF presented the mission and academic goals to the Authority. Telesis Preparatory Academy is committed to offering curriculum individually designed and delivered to meet the needs of each student in real preparation for lifelong learning. Telesis proposes to improve academic achievement for students in grades K-12 with a multi-age curriculum model. The ultimate goal of Telesis is to foster a learning environment that challenges students without frustration. Some of the proposed instructional strategies include differentiated instruction and mastery learning. The proposed school would be modeled after the Telesis Preparatory Academy in Arizona.

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

The application only partially meets standard due to a number of unmet evaluation criteria.

The Committee to Form does not present research-based evidence for selecting the proposed curriculum and instructional strategies. Within the application there is a lot of discussion of the structure of classrooms but the curriculum narrative is one paragraph that states the curriculum will be based on Common Core and Nevada standards. Given the Authority's expectation that schools will offer a research-based, rigorous curriculum, this is a significant omission. During the interview the Committee to Form commented that they want to use the curriculum already in use in Arizona, but that they don't want to assume what works in Arizona will work in Nevada and intend to remain flexible. While it is understandable to desire some level of flexibility, the review team didn't see within the application clear criteria to drive this key decision. It is noted that during the Interview the Committee to Form mentioned the establishment of a Curriculum Committee – the review team did not find such a committee included in the application's description of the proposed structure of the school. The application identifies no fewer than 15 instructional strategies and best practices to be incorporated at Telesis Preparatory Academy – Effective Elements of Instruction, T4S, 8 Standards of Mathematical Practice, Portfolio Assessment, Project-Based Learning, Service Learning, etc... While not mutually exclusive, the number and significance of the strategies included render meaningful implementation with a high degree of fidelity practically impossible. Without a clear understanding of how and why certain strategies are employed within the structure of the school the review team is left with the impression that the applicant included most of the instructional strategies currently in mode without giving complete thought to the plan and implementation of all strategies.

In consideration of the academic performance of the Telesis Preparatory Academy in Arizona (the model school to be replicated in Washoe County) the review team noted the absence of "lessons learned" in how the model has been modified in AZ to better serve enrolled students and how those lessons would translate into the context of Washoe County. It is not clear to the review team that the present Committee to Form (the Nevada-based members) conducted a thorough analysis of the model's performance in Arizona.

Based on the application and the interview the review team's concern that the Committee to Form appreciates the staffing needs for the successful implementation of the proposed program remains unresolved.

The relationship between Telesis Preparatory Academy, AZ (Telesis AZ) and Telesis Preparatory Academy, NV (Telesis NV) appears to be loosely defined and based on mutual trust. The Committee to Form is correct in assuming some relationship is necessary; however, the lack of a contract or other written agreement that explicitly defines services to be provided by Telesis AZ to Telesis NV is troublesome. Given the Committee's

reliance upon Telesis AZ (e.g., “job share business staff”, part-time share of the CEO Sandra Breece, business office duties, curriculum development, carrying out the philosophy of the school in the correct manner) the review team would expect a contractual agreement between the entities that not only protects Telesis NV and the enrolled students but also provides a clear outline of the organizational systems needed and to be developed for purposes of accurate budgeting. The Committee is encouraged to research other replication charter schools and the strategies used to ensure that both the model and replication school are well positioned to scale-up successfully.

Further complicating the relationship between the two entities is the conflicting language in the application and the responses in the interview regarding how long the relationship between the two entities will exist and whether or not the relationship will include compensation. The staffing plan suggests that Sandra Breece (the “Superintendent”) would, in the beginning, work for free, but later would be “hired” by the board. The response in the interview suggested that Telesis AZ expected Telesis NV to “be on their own two feet” in 5 years. No plan to transition Telesis NV away from Telesis AZ was found within the application nor was any discussion of the critical human capital necessary to replace the support from Telesis AZ.

The Financial Plan does not meet criteria for approval because it fails to demonstrate an understanding of basic budgeting concepts or the school’s financial management obligations. It does not present a budget that aligns with and supports the school’s plan. The number and depth of mistakes in the budgets and cash flow statements as well as the lack of internal alignment with the proposed education and operations plan severely undermines the review team’s confidence in the proposed school.

The budget, as explained by the narrative, neglects to include employee retirement (PERS). Inclusion of this expenditure would reduce ending cash balances by \$140,000 in FY15 & \$177,000 in FY16.

The Nevada Superintendent (Arizona Head of School) is described in the budget as a zero cost consultant; however \$40,000 is budgeted in both years for travel from AZ to NV and/or an apartment in NV. It is uncertain whether this would continue as a zero cost service. Year two budgets the Superintendent for .25 FTE X \$25,000, incorrectly equal to zero dollars. Then, the budget narrative curiously states “5% raise assumed in Year 2.”

Budget Form 7 – “Indebtedness”, was not completed for FY15 to account for the \$100,000 loan from the Arizona charter school. The loan was also not budgeted as a revenue source, putting it in conflict with the FY15 cash flow statement, which includes it as a beginning balance. The pre-opening budget states that “The loan will be payable at the end of FY16.” In apparent conflict, it goes on to say “the school has included the expenses it needs to complete the loan payments in budget year one.” The budget for FY15 includes no such repayment under “Debt Service” in either the detailed budget or the narrative. FY16 includes only \$25,000 in the detail, but zero in the narrative. It is also omitted from the cash flow statements as a separately identifiable line item.

When descriptions are comparable, budgeted amounts do not always match the same description on the cash flow statement, giving rise to the question of which is accurate; impossible to determine if the budget is based on realistic, evidence based revenue and expenditure assumptions. For instance, FY15 “Supplies”, per the budget are \$309,800. The same description on the CFS is \$259,800.

The application says “Telesis Preparatory Academy in Reno, Nevada will utilize the business office at the Telesis Preparatory Academy in Lake Havasu, Arizona, a non-profit charter school, to help them get started while building their school and enrollment. A small fee to offset the AZ charter school costs of time will be charged to the school...” The amount of this fee is uncertain, as it is buried in a \$75,000 “Accounting and Auditing Services” budget line item. It is also impossible to determine if this fee is included in the cash flow statements, as it is not identified separately.

Telesis Preparatory Academy, AZ appears to be financially sound based on the audited FY12 report and a conversation with the school's sponsor in Arizona. The FY12 audit did not identify any deficiencies in internal controls over financial reporting.

A cornerstone of the Authority's strategic plan's theory of action is the replication of successful schools. Existing models seeking to replicate in Nevada provide the Authority with a window into their academic performance in other environments with which the Authority may infer the model's performance in Nevada. Extrapolating the academic performance from Telesis Preparatory Academy, AZ to the proposed location in Washoe County is based on the academic framework used in Arizona which is similar to the Authority's.

The review team evaluated Telesis Preparatory Academy, AZ student achievement using the information provided within the application and due diligence by Authority staff. Due diligence included review of the Arizona State Board for Charter Schools academic performance results for 2012 and 2013. Telesis Preparatory Academy, AZ (k-8) received an overall "Does not meet standard" in both years and a letter grade of "C" based on Arizona's state accountability rating. Telesis Preparatory Academy, AZ (9-12) received an overall rating of "Does not meet standard" in 2012 and "Meets standard" in 2013 with a letter grade of "C" in both years based on Arizona's state accountability rating. According to the sponsor Telesis Preparatory Academy, AZ is not eligible for expansion within Arizona due to their academic performance not meeting the thresholds established in policy.

Additional student achievement data were included by The Center for Student Achievement (a third party associated with the Arizona Charter School Association). The Center for Student Achievement gave Telesis Preparatory Academy, AZ a grade of "C" in 2012 and 2013 based on its test performance. One recommendation of the third party report is the need to further differentiate student learning – this is a concern because a hallmark of the Telesis "model" is differentiated learning.

The Committee to Form the school are professionals with a clear interest and desire in charter schools and evident enthusiasm to provide a quality choice for Nevada families. The Committee is commended for bringing forth the idea of Telesis NV; however, questions and concerns exist regarding the composition of the Committee (and future board) that largely stem from the lack of clarity found within the application and interview.

Three members of the Committee to Form reside in Arizona; two are related: Sandra Breece (CTF Liaison) and Ryan Breece. Two of the members, Mario Biasiucci and R. Breece, appear to be employees of S. Breece. Two of the members of the Committee to Form that reside in Nevada are related: P. Butters and A. Juve. No strong rationale exists to justify why relatives serve on the Committee to Form; why three of the 8 members of the Committee (including the Liaison) reside outside of Nevada; and why two employees of the Liaison serve on the Committee.

If the "Telesis Center for Learning, Inc. DBA Telesis Preparatory Academy," referred to in the application not as an EMO but as the school model to be replicated, would indeed receive any money from the school, the membership of the Breesces and M. Biasiucci violates regulation. All three are employees of Telesis Preparatory Academy.

Sandra Breece intends to serve on the school's board, but is identified in the Organizational Chart as the "Superintendent" reporting to the school's board; school employees may not serve on the school's board.

It is not clear which members of the Committee to Form meet the statutory membership requirements. Two members of the Committee to Form have prior board experience: S. Breece has board experience and Saunders has experience serving on a Home Owners' Association.

Telesis's CTF then discussed the findings of SPCSA staff. One major concern of the Authority was the rating that Telesis Academy had received in Arizona. The school had been graded as a C school, but Telesis's CTF said the data is measured in a way that is not beneficial to their school in Arizona. Due to the high turnover rate in Havasu, because of tourism and transiency, the school's performance numbers are hurt because they did not get the full credit for growth of students who enter their school midway through the year.

**Member Abelman made a motion for approval of the staff recommendation for denial of Telesis Academy's charter application. Member Mackedon seconded the motion. Member Van clarified to Telesis Academy's CTF that they would still be able to resubmit after the 30-day time period. The motion was unanimous.**

#### **Agenda Item 12 – Member Comment**

Member Wahl said she had been involved with the Nevada Interscholastic Athletic Association and recommended that the Authority have representation on their board. She felt that there was confusion regarding how charter schools should be involved with Nevada athletics and that if no one from the Authority or charter community participated then Nevada's charter schools could be left out of important athletic decisions.

Member McCord said that he had participated with the State Board of Education's NAC revisions. He said there were some questions regarding if some of the decisions of the State Board would affect charter schools. He recommended that these questions be agendized at the next meeting date.

#### **Agenda Item 13 – Next Meeting Date**

The Authority said they would work with staff to set the next meeting along with a possible retreat in the beginning of January.

Member Van motioned for adjournment. Member Abelman seconded. The motion was unanimous.

The meeting was adjourned at 3:37 pm.