

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

TELECONFERENCED OPEN MEETING

FRIDAY, AUGUST 26, 2016

CARSON CITY, NEVADA

THE BOARD:

ADAM JOHNSON, Chair
PATRICK GAVIN, Executive Director
MELISSA MACKEDON, Vice-President
KATHLEEN CONABOY, Member
JACOB SNOW, Member
STAVAN CORBETT, Member
JACOB GUINASSO, Member

FOR THE BOARD:

GREG OTT, Deputy Attorney General

ED MAGAW, Deputy Attorney General

DANNY PELTIER, Management
Analyst I

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Administrative Assistant III

REPORTED BY:

CAPITOL REPORTERS
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Nevada CCR #446

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1 **CARSON CITY, NEVADA; FRIDAY, AUGUST 26, 2016; 9:12 A.M.**

2 **-o0o-**

3
4 CHAIR JOHNSON: Call the meeting to order. I
5 will start with roll call. Member Guinasso?

6 MEMBER GUINASSO: Present.

7 CHAIR JOHNSON: Member Snow?

8 MEMBER SNOW: Present.

9 CHAIR JOHNSON: Vice-Chair Mackedon?

10 VICE-PRESIDENT MACKEDON: Here.

11 CHAIR JOHNSON: All right. We will stand up
12 and say the Pledge of Allegiance.

13 (Board recitation of the Pledge of Allegiance.)

14 CHAIR JOHNSON: All right. Deputy Attorney
15 General Magaw, have you reviewed our agenda today?

16 DEPUTY AG MAGAW: Yes, I have, Mr. Chairman.

17 CHAIR JOHNSON: And does it comply with the
18 opening law?

19 DEPUTY AG MAGAW: Yes, it does, Mr. Chairman.

20 CHAIR JOHNSON: And so I take a motion to
21 approve today's agenda.

22 VICE-PRESIDENT MACKEDON: Member Mackedon.
23 Move to approve.

24 MEMBER GUINASSO: Second.

25 CHAIR JOHNSON: All in favor?

1 THE BOARD: Aye.

2 CHAIR JOHNSON: Also, we want to take a
3 motion for a possible flexible agenda.

4 VICE-PRESIDENT MACKEDON: Member Mackedon.
5 Move for a flexible agenda.

6 CHAIR JOHNSON: Second?

7 MEMBER SNOW: Second.

8 CHAIR JOHNSON: All in favor, aye?

9 THE BOARD: Aye.

10 CHAIR JOHNSON: Member Snow seconded that
11 approval for the flexible agenda, and then the motion
12 before, Member Guinasso approved -- seconded the approval
13 of the actual agenda.

14 We will move to Agenda Item 1, which is
15 public comment, and please be reminded that you will be
16 limited to three minutes to each of your public comments,
17 and so we have three public comments here. I think this
18 first one is Mike Montandon, Chris Orme, and then Africa
19 Sanchez. All three of you can come up at the present.

20 EXECUTIVE DIRECTOR GAVIN: If I could request
21 anyone making public comment to spell the first and last
22 name for the court reporter. That would be most helpful
23 for her.

24 MR. MONTANDON: Thank you. Mike Montandon:
25 M-I-K-E. M-O-N-T-A-N-D-O-N. At our last Board meeting

1 here, your last Board meeting here, there was an item on
2 the agenda that, apart from the NACSA presentation, was
3 the longest discussed item on the agenda, and it ended up
4 being continued to this month, and it's an amendment to a
5 charter for one of the charter schools called Founders
6 Academy, and what was ended up discussed there was the
7 fact that kind of built into the discussion is the
8 definition of an EMO, and a fairly contentious item,
9 contentious enough to be pushed off to today, and I see
10 that it is included on your consent agenda.

11 And I feel the need to come forward and share
12 with you a few years of my experience in chairing
13 government boards here, and I understand that the control
14 of the way an agenda is written, your vote for a flexible
15 agenda have a great deal of influence in the way you run
16 a meeting, and I just want to share. I thought about
17 trying to make this politically correct and say I'm not
18 going to try and educate you, but I am.

19 I'm going to tell you that you can't put
20 items that are contentious on a consent agenda. It is
21 for perfunctory items that by definition don't need any
22 discussion. If you feel they don't need any discussion
23 because you've already made your decision, then put them
24 on the agenda, explain why you've made your decision, and
25 make the decision. That's fine. But don't poke the

1 public in the eye by saying, "We don't even want to hear
2 what you have to say." That is not how it's to be used.

3 I am not even going to speak on the issue
4 itself right now because I'm not really in the business
5 of pushing water uphill. But I will share with you that
6 philosophically, the whole reason this Charter School
7 Authority exists is to advance the idea of privately run
8 charter schools and an alternative to the public school
9 system as we currently know it, and yet you're adding
10 layers of bureaucracy to make it look exactly like that.
11 And again, this is just a comment I did not feel could go
12 without mentioning it at this meeting. That's all I have
13 to say.

14 CHAIR JOHNSON: Thank you so much.

15 MEMBER SNOW: Mr. Chairman?

16 CHAIR JOHNSON: Yes, Mr. Snow.

17 MEMBER SNOW: I am new to this Board, and
18 considering the discussion at my first meeting last time,
19 I was actually very surprised to see us put this on the
20 consent agenda. I would hope that we would not be
21 intentionally provocative as I feel like this action was.
22 I'll just leave it at that.

23 MEMBER GUINASSO: Mr. Chairman?

24 CHAIR JOHNSON: Yes, Member Guinasso.

25 MEMBER GUINASSO: Typically we're dealing

1 with public comment, we don't respond to the public
2 comment, but when we do get to the consent agenda piece,
3 there are some items I'd like to pull from that.

4 CHAIR JOHNSON: Noted. Thank you. Mr. Orme?
5 Orm. Apologies. Good morning, Mr. Orme.

6 EXECUTIVE DIRECTOR GAVIN: Speak and spell
7 your name.

8 MR. ORME: My name is Chris Orme, and my last
9 name is spelled: O-R-M-E. I'm an attorney with the law
10 firm of Hutchison & Steffen, and we represent a landlord
11 called Tower Distribution Center, the landlord of Quest
12 Academy at the Torrey Pines campus. I'll read the
13 following statement to the Board, in particular, to the
14 representatives from the Attorney General's Office and
15 request that this letter be included in any minutes of
16 this meeting.

17 At its August 24th, 2015 public meeting, the
18 Board determined that multiple breaches and other
19 infractions of Quest necessitated closure, dissolution or
20 other remedies to protect students and taxpayer funds.
21 However, after much discussion, the Board approved
22 Quest's request -- that's a hard one -- Quest's request
23 to remain open and specifically approved the Torrey Pines
24 campus and lease with Tower. The lease which is now --
25 which has been approved by this Board and also approved

1 by two attorneys is under attack by the receiver. The
2 Board has made it abundantly clear that it reserved the
3 right to close the school or take any other action
4 necessary to protect Quest's students including
5 enrollment preference at new schools. Sadly, Quest
6 failed and should have been closed as the Board
7 originally decided.

8 At the receiver's appointment, Tower was
9 unaware of Quest's insolvency and other issues, having
10 relied on financial disclosures a few months earlier,
11 which are now known to be false and misleading. At the
12 receiver's appointment, the Board, parents, students,
13 vendors and others were hopeful that the financial
14 challenges and the legal quagmire would end.
15 Inexcusably, the financial challenges and legal quagmire
16 has exponentially increased in dollars and dimensions.

17 Under the receiver, rent has not been paid to
18 Tower, the landlord, for over nine months. Equipment and
19 furniture lease payments have also not been paid, and
20 professionals and vendors who rendered quality service to
21 Quest have been left high and dry only now to be wrongly
22 accused of causing Quest's downfall. The reality is that
23 the Board's decision over approximately a year ago has
24 added significant additional debt that has been incurred
25 by Quest under the direction of the receiver and his

1 lawyers. The school is still facing eviction proceedings
2 in district court, and the receiver is now using taxpayer
3 and student dollars to engage in what can be called
4 shakedown litigation. This Board reviewed and approved
5 Quest's lease with Tower, and the receiver has failed to
6 honor its terms. This Board cannot condone the actions
7 which deepened Quest's insolvency.

8 We respectfully request this Board to
9 instruct the Attorney General's Office, not the receiver
10 and his lawyers, to independently review the claims and
11 determine their merit. The non-payment to vendors and
12 spending taxpayer dollars on litigation over a lease
13 which was approved by this Board is not what this Board
14 intended by appointing this receiver. The Board is about
15 education and not litigation. The Torrey Pines campus is
16 less than a year old, and Tower intends to lease it to --

17 MR. PELTIER: Three minutes.

18 CHAIR JOHNSON: Thank you, Mr. Orme. If you
19 can submit that with the letter in the back, we'll make
20 sure to have it included.

21 MR. ORME: Okay. Thank you.

22 CHAIR JOHNSON: Thank you. And finally,
23 Mrs. Sanchez?

24 MS. SANCHEZ: Good morning, Chair Johnson,
25 Members of the Board. My name is Africa Sanchez:

1 A-F-R-I-C-A S-A-N-C-H-E-Z, and I am here on behalf of
2 Beacon Academy, which is actually agendized under Item
3 No. 8. And I was just informed this morning that I would
4 not be allowed to speak on that agenda item, even though
5 it states in there that it will be an information,
6 discussion, and possible action.

7 I was informed that I would not be allowed to
8 speak because Beacon Academy representatives are not --
9 it's not listed on the agenda item, and therefore, we
10 cannot speak on this agenda item. And I would just want
11 to put on the record my objection, that I would like to
12 speak on this item because -- for many, many reasons.
13 One is it violates the Nevada Open Meeting Law. We have
14 big concerns in regards to a motion that was just filed
15 last month that we want to bring to this Board's
16 attention, who has the final authority. We want -- I
17 want to put on the record that I believe that this is the
18 contested case for -- pursuant to NRS 33B.033, and that
19 we will seek whatever administrative remedies that we may
20 have.

21 The other issue is that we want to be treated
22 similarly as the other action items that are on your
23 agenda, which includes 5, 6, 7, 8, 10, 11, 12, 13 and 14,
24 and we seek clarification because those entities are not
25 listed on your agenda item. They will also not be

1 allowed to speak during that agenda item, and in the
2 three minutes, I will not be able to address my concerns
3 that I have with the update, discussion and possible
4 action regarding the proposed improvement plans in
5 Section No. 8.

6 CHAIR JOHNSON: Thank you, Ms. Sanchez. All
7 right. Is there any public comment in the north, Danny?

8 MR. PELTIER: We have one person, Laura
9 Granier, Nevada Connections Academy.

10 MS. GRANIER: Good morning, Mr. Chair,
11 Members of the Board. For the record, Laura Granier on
12 behalf of Nevada Connections Academy. I have not been
13 advised that the school would not be allowed to speak
14 during its agenda item. If that is the case, I too would
15 lodge an objection and ask the Board that you absolutely
16 hear from the school during the agenda item for Nevada
17 Connections Academy. Thank you. If not, the school
18 reserves all legal rights to object to not being heard.
19 Thanks.

20 CHAIR JOHNSON: All right. There is no
21 additional public comment in the south, and we will move
22 to Agenda Item No. 3. So it was my mistake in my haste
23 to get to all of the fun during the August or the July
24 meeting that I actually did not introduce our three new
25 members to the Board, so I apologize. Member Corbett,

1 Member Guinasso, Member Snow all bring a wealth of
2 diverse talent and expertise to the Board, so I really
3 appreciate you stepping up to be a part of this work. Do
4 any of the three of you have anything you'd like to add
5 to that?

6 MEMBER SNOW: Are you expecting a rebuttal
7 from us, Mr. Chairman?

8 CHAIR JOHNSON: You know, I just want to make
9 sure I'm being as equitable as I can with this microphone
10 and sharing the floor. So Member Snow, not only does he
11 bring expertise in business but also humor as we could
12 all determine. Welcome all of you. Thank you for your
13 service to this point.

14 All right. We will move to Agenda Item No.
15 4, which is the consent agenda. Do I have any items that
16 would like to be pulled for discussion?

17 MEMBER GUINASSO: Yes, Mr. Chairman. There
18 are three items from the consent agenda I'd like to have
19 pulled. I'd like the -- under Section 4, the second dot
20 there, the Founders Academy matter, if we could pull that
21 from the consent agenda. I'd like to pull the -- it's
22 one, two, three, four, the fifth dot, the consideration
23 and possible action regarding the expansion amendment,
24 and then the sixth dot, which is the American Preparatory
25 Academy relocation amendment.

1 CHAIR JOHNSON: All right. So before we
2 actually move to approve this consent agenda, why don't
3 we go ahead and begin some discussion on those three
4 specific items.

5 MEMBER GUINASSO: I believe the procedure
6 would be if we would agree to pull those from the consent
7 calendar. Maybe our attorney general can help us out,
8 then we would place those in the regular agenda and
9 discuss each one of those on their own merit.

10 DEPUTY AG MAGAW: Ed Magaw with the Attorney
11 General's Office. It's at the Chairman's discretion on
12 the agenda.

13 MEMBER GUINASSO: So are we going to pull
14 those or not?

15 CHAIR JOHNSON: Yes, we will pull those, and
16 then we will go ahead and discuss them.

17 MEMBER GUINASSO: Okay. Which order? Can I
18 choose the order?

19 CHAIR JOHNSON: Yes. Since you have the
20 floor, you're welcome to discuss.

21 MEMBER GUISSANO: Thank you. I'd really like
22 to start with the Preparatory Academy agenda item, and I
23 just had a few questions for Mr. Gavin. With regard to
24 applications for relocation, isn't it -- aren't they
25 supposed to present these before they move?

1 EXECUTIVE DIRECTOR GAVIN: Thank you for the
2 question, Member Guinasso. The contract requires that
3 schools do receive prior approval for closing a campus or
4 -- and that's required contractually. And then with
5 regard to acquiring a new or additional facility, that is
6 set out in the NAC, and yes, there is a requirement of
7 prior approval. So in either case, there is an
8 expectation of prior approval before taking any action.

9 MEMBER GUINASSO: I'm glad you said it
10 because I'm looking at the contract, and it says
11 specifically that, "Charter schools relocation to
12 different facilities shall constitute a material
13 amendment of this charter contract and shall not become
14 effective, and the charter school shall not take action
15 or implement the change requested in the amendment until
16 the amendment is approved in writing by the Authority."

17 Is that right? Is that part of the contract?

18 EXECUTIVE DIRECTOR GAVIN: That is part of
19 the current executed contract. Yes, Member Guinasso.

20 MEMBER GUINASSO: And so this application I
21 have before me, it appears that they've already completed
22 the relocation without following the terms of their
23 contract. Is that right?

24 EXECUTIVE DIRECTOR GAVIN: That statement
25 would be correct, sir.

1 MEMBER GUINASSO: Okay. And then the
2 regulation that you cited is NAC 386.3265. That, too,
3 appears to provide for mandatory filing of an amendment
4 before there's a relocation. Is that right?

5 EXECUTIVE DIRECTOR GAVIN: Yes, Member
6 Guinasso, that is correct.

7 MEMBER GUINASSO: Okay. Did they provide any
8 justification for presenting this application after they
9 already went and relocated?

10 EXECUTIVE DIRECTOR GAVIN: They stated that
11 they did not believe it merited an amendment, so they did
12 not file one. We have worked closely with the school to
13 remedy this issue. We identified it back in the
14 February-March time period based on concerns we heard
15 from parents related to the relocation of a school for a
16 distance of approximately 8 miles at a point after
17 parents -- at a point when parents would have had very
18 limited opportunity to apply to other schools because
19 many of the application windows for schools had just --
20 that were in the area like Doral and Somerset had either
21 closed or were about to close.

22 MEMBER GUINASSO: Thank you, Mr. Gavin. Now,
23 another thing that disturbed me about this application
24 was I note in about 20 different places there's specific
25 questions asked, but it doesn't appear that those

1 questions are directly answered. One of the most
2 egregious places I found that was under the strategic
3 planning section. It says, "Specifically identify the
4 risks associated with this relocation or consolidation
5 plan and describe the steps the school is taking to
6 mitigate these risks."

7 And in the response to that, the answer is:
8 "The facility is complete. We have a Certificate of
9 Occupancy. The building is ready for school to
10 commence." To me, that seems nonresponsive to the
11 question. It's a bigger question because it asks for an
12 analysis of the risks of taking this -- making this
13 relocation. And that's a part of, I think, our
14 responsibility to review their plan and make sure that
15 they've identified, you know, risks associated with
16 relocation or consolidation. And we can't do our job
17 unless we get answers to these sorts of questions.

18 I'd like to have your thoughts on that. I
19 mean, do you feel like they're responsive to your
20 questions? That's one of 20 examples. I won't take us
21 through all 20, but to me, that was one of the more
22 egregious ones because by not answering the question, I
23 don't know how I could approve an application like this.

24 EXECUTIVE DIRECTOR GAVIN: Thank you for the
25 question, Member Guinasso. No, I do not believe that

1 these answers are responsive. I believe that they are
2 cursory or dismissive at best. I can't speak to what the
3 motivation for that is. What I can say is that we are --
4 much as was the case as was raised during public comment
5 with the Torrey Pines situation a year ago where a
6 relocation of a campus was presented as a fait accompli
7 by the Quest Board, this school has chosen to forego
8 approval and to put kids into a building and close the
9 building and move kids into a newly constructed wing of a
10 building which was also not done with approval of this
11 Board, of this body. And those kids have been in there,
12 my understanding is, since Monday. So currently, we're
13 in a situation where they are not where -- they are in
14 breach and they are occupying a facility that they do not
15 have approval to occupy, and our goal is to remedy this
16 so that the school can get back into good standing with
17 the Authority, but certainly, it is up to the Authority
18 what action it wishes to take, given the decisions they
19 have made with regard to timeline.

20 I will note that my deputy, Mr. Scroggins,
21 has worked very closely with the governing body and
22 management organization of this school in the last
23 several weeks in particular, and I think we've made
24 significant progress in the recognition that they need to
25 come before the Authority for these things. As to

1 whether these -- why this application is the way it is
2 was simply a matter of time or lack of expertise on the
3 person completing it. I will note that I did communicate
4 to the chair of the governing body upon receipt of the
5 draft of this document on -- I believe we received it on
6 Saturday. I responded on Sunday that I did not believe
7 that this document represented either the school or the
8 Authority well. I certainly don't think it is -- it
9 speaks to a strong and collaborative relationship where
10 the concerns of the public with regard to dramatic
11 changes to a school's operation are taken seriously.

12 MEMBER GUINASSO: Now, and help me understand
13 this. What would be the remedy -- if a school chooses to
14 ignore the regulation and to disregard their contract,
15 what would be the remedy for us as a board? Would it be
16 to revoke the contract?

17 EXECUTIVE DIRECTOR GAVIN: That could occur,
18 Member Guinasso. There are provisions in statute, and
19 I'll ask counsel to weigh in on what those are if you
20 want the specific citations, but essentially, there is
21 always a cure period. The cure is essentially to get
22 back into compliance by getting paid back, which is
23 effectively what we're doing here.

24 MEMBER GUINASSO: Forgive me. My training as
25 an attorney, words matter. When you make an agreement,

1 you keep the agreement. If there's a regulation on point
2 that says you have to do something, in my world, you have
3 to do it, right? And so probably revoking the charter
4 would be an extreme action in this matter, but I think
5 I'd like to ask or make a motion to --

6 EXECUTIVE DIRECTOR GAVIN: Member Guinasso,
7 there are actually a couple of other things the Authority
8 can do under its performance framework. Under our
9 organizational framework, which deals with compliance
10 with matters of law and regulation and sort of just
11 general good operating or organizational operating
12 processes, there are three stages to our intervention
13 letter. There's the Notice of Concern, which is, "Hey,
14 there's an issue here." There's Notice of Breach saying,
15 "You have violated a material term of the contract. You
16 need to get back into compliance." And then finally,
17 there is the Notice of Potential Revocation or
18 Termination of a written charter or termination of a
19 charter contract.

20 So certainly, one of the things that this
21 body could do is determine if it wishes, for example, to
22 issue a Notice of Concern related to this or issue a
23 Notice of Breach and require some corrective actions in
24 terms of a plan to make sure that this does not recur. I
25 will -- and if counsel disagrees with that, certainly

1 that -- but those are the kinds of things that exist in
2 our intervention later to deal with that kinds of issues.

3 I will note that this is a replication of a
4 high quality school network from Utah. We do not have
5 any performance data from them yet that has been -- ACT
6 Aspire data is still being analyzed, but we have no
7 reason to believe that the school is not performing well
8 academically at this point.

9 MEMBER GUINASSO: Thank you, Mr. Gavin. I
10 guess that that helps. If we did a Notice of Concern,
11 would that require them then to respond and say something
12 to the effect that we recognize what the contract
13 provides. We recognize what the regulation provides. We
14 didn't do what the contract and regulation required
15 because of whatever their extenuating circumstances are,
16 and then some assurance that they're not going to
17 disregard the contract or the regulation or statutes
18 again? Something to that effect?

19 EXECUTIVE DIRECTOR GAVIN: I would like to
20 defer to counsel on what the Board -- on what we can
21 actually impose as part of a Notice of Concern.

22 DEPUTY AG OTT: Deputy Attorney General Greg
23 Ott. So the question is what sort of action could be
24 mandated as part of a Notice of Concern?

25 MEMBER GUINASSO: Yeah. So like I was

1 thinking of something like an order to show cause. I
2 know that that doesn't apply here, but something to say,
3 you know, come and show cause as to why you disregarded
4 the contract and the regulation, and tell us, you know,
5 if you did do that, why you're not going to do that
6 again.

7 DEPUTY AG OTT: I think that would be
8 something that could be accomplished through a Notice of
9 Concern. That sort of detail would allow the school the
10 opportunity to understand what was being asked of it and
11 to make those remedies. I don't know that that could be
12 done today under the agendized item because it doesn't
13 look to me like it would have that sort of breadth, but
14 if the item was denied, that would seem to be something
15 that could be done through a future agenda item.

16 VICE-PRESIDENT MACKEDON: This is Member
17 Mackedon. Would it be fair to say -- I mean obviously,
18 it's not agendized that way. Their academic record is
19 good. I'm not sure we want to necessarily drag this
20 thing out for four months, but would it be fair to say
21 that going forward, that if there's a situation like this
22 that the Board could tell staff, "Look. If this comes up
23 again, we just want that to automatically happen. It's a
24 Notice of Concern." You know, right off the bat.

25 I mean, we've been working with them, so

1 maybe the first step should have been before we even
2 started working with them, here's a Notice of Concern.
3 You didn't follow regulation. You didn't follow the
4 contract. You know what I mean? And then what's already
5 transpired would have met the requirements of that Notice
6 of Concern. You know, just make that the initial first
7 step. Does that make sense, Jason?

8 MEMBER GUINASSO: Yeah. I think I just want
9 to make it clear. If I ever get an application that's
10 not in compliance with the contract and not in compliance
11 with the regulation, I'm always going to be a no vote on
12 that without exception. And so I just find it hard to
13 understand, you know, especially because this
14 organization is represented by a group that purports to
15 be experts in this area, why they would just disregard
16 their obligations and not bring this to us so that we
17 could have the opportunity to review this before they
18 actually make the decision.

19 It's like that old adage where it's better to
20 ask forgiveness than to ask permission. And I just don't
21 want to set a precedent as being one of those boards that
22 rubber stamps things after the fact. I think that's why
23 authorities get bad raps is because they don't hold these
24 organizations accountable for these sorts of
25 indiscretions. And so but I think, you know, if that's a

1 lesser approach, that is, you know, a way to get our
2 message to these folks that where they'll be responsive,
3 great. But one of the things, I think there has to be
4 some sort of cost to them. And by them having to spend
5 how much ever time they have to spend responding to my
6 questions as to: "Did you know that this was a part of
7 your obligation? If you did, why did you not follow it?"
8 And then some assurance that they're going to follow both
9 the contract and the regulation again. That requires
10 them to answer. And we don't need them to come back, but
11 if they put that in an amendment to this application, I
12 think that would be something that would -- I would
13 appreciate in terms of fulfilling what I think is their
14 essential obligation to this Authority.

15 EXECUTIVE DIRECTOR GAVIN: Member Guinasso,
16 just so I can try to make sure I'm absorbing what you're
17 saying, sir, you are essentially saying it should be
18 approved on the condition that the school essentially
19 says, "Here's how we will ensure this does not recur
20 again," to basically go back and do an analysis for sort
21 of why this failure happened and then how it's going to
22 ensure it does not recur?

23 MEMBER GUINASSO: Yes. Oh, Member Conaboy?

24 MEMBER CONABOY: I would suggest that the
25 contingency also needs to include a proper submission

1 even retroactively of a request for amendment that is
2 responsive to the questions. I had no idea what they had
3 done to prepare for this move, and now that I hear that
4 their parents were up in arms, I think it's especially
5 important that they go back and answer the questions
6 appropriately, as Mr. Guinasso has pointed out.

7 EXECUTIVE DIRECTOR GAVIN: And to be clear,
8 Member Conaboy, one or two calls from parents which is
9 what prompted us to reach out. This was not something
10 where we had 400 calls or something like that. I can't
11 speak to what the magnitude of the parent concern was.
12 The school has made representations in its document that
13 it did reach out to parents. What that looks like and
14 what the numbers were, there's nothing in there to tell
15 us, you know, how many people said we're not doing this
16 or we're doing it, but only under extraordinary hardship.
17 I just don't know.

18 MEMBER CONABOY: Well, exactly. So if there
19 is a re-submittal of the paperwork with answers to the
20 questions, we'll all know.

21 CHAIR JOHNSON: Member Snow, did you have a
22 comment?

23 MEMBER SNOW: Thank you, Mr. Chairman.
24 Member Snow, for the record. I'm just curious what --
25 has there been a past practice, or is this a consistent

1 thing where we will either not get notified or people we
2 deal with will not follow the process, or if their
3 applications and/or if their applications are incomplete,
4 what's been the past practice of the staff and the Board
5 in these types of situations? Is this common?

6 EXECUTIVE DIRECTOR GAVIN: Member Snow, thank
7 you for the question. There is prior precedent for both
8 of those issues. Yes, sir. With relation to this
9 particular school, this school and the initial campus
10 that it occupied, the one that was identified in the
11 charter contract, was what the school has now
12 characterized as a temporary campus, although that is not
13 reflected in the contract. It may well be what they
14 intended all along.

15 They did, without notification to staff and
16 in violation of regulation, commence construction on what
17 is currently called the Las Vegas II campus, the Patrick
18 campus, which is now the only campus of this network in
19 Nevada without prior approval or notification of staff or
20 this body. The notification that staff received that
21 that school was commencing construction on that facility
22 and had personally gone through all of the acquisition
23 process prior to that for the land, et cetera, was an
24 invitation to a groundbreaking in late December of 2014,
25 and I actually flew down directly. I think I had another

1 reason to be down there, but I changed my flight and flew
2 down early and actually met with Mr. Glody, the board
3 chair, on-site and expressed concern about their not
4 getting the amendment in to us beforehand. I worked with
5 them over the holiday break to get their -- to get them
6 back into compliance. And that was again, it was an
7 after-the-fact approval.

8 At the time, I emphasized to them that this
9 -- and that was done with delegated Authority to staff.
10 This process by which we do things in a public process
11 which I think is far more transparent and much more
12 helpful is something that changed in March of '15 when
13 the Board, for a lot of extraordinarily valid reasons,
14 wanted to make sure that you had much more information
15 about what's going on with our schools. But prior to
16 that, this was something that was done through a staff
17 approval process.

18 The school got everything to us, I think, by
19 mid January, and if I'm wrong on the timeline, it was
20 relatively quick. But again, after the fact. It was
21 approved. They were informed that this is something that
22 should not repeat and should not happen again. So this
23 is part of a pattern with this particular school.

24 MEMBER SNOW: What about with other
25 applicants?

1 EXECUTIVE DIRECTOR GAVIN: This was a pattern
2 of conduct with Quest Academy in particular, and I think
3 we've already heard some of the background on what's gone
4 on there to the point where the final time that they did
5 that, the Board did impose some very restrictive
6 contractual terms on them as a condition of amendment.
7 And again, that was a school that had many other serious
8 organizational issues that this was part of a systemic
9 set of issues.

10 I will note we have another item on the
11 agenda with regard to Nevada Virtual where the school
12 recognized, "Hey, we didn't follow this process, and we
13 need to come back before you guys and just" --
14 Ms. Hendricks, their counsel, characterized it as, "Hey,
15 it fell through the cracks, but we want to get back into
16 compliance." That's not something where staff had to
17 chase them down, which has been the case with other
18 schools. But yes, this is a pattern where schools know
19 that they can or know that effectively, there is limited
20 consequence for this because there's -- what are you
21 going to do, close them because they didn't follow the
22 rules?

23 CHAIR JOHNSON: I had a question for you,
24 Mr. Ott. You said that there would be no way for us to
25 -- on the way that the agenda item is written currently

1 for us to have an approval and/or also direct staff to
2 issue a Notice of Concern; is that correct? I want to
3 just make sure I heard that properly because I think what
4 Member Guinasso was asking was do we have to approve and
5 then get no sort of consequence, but then what we move to
6 is now we would simply be able to approve with a
7 consequence of they'd have to effectively answer to why
8 they didn't do it properly and then re-fill out the
9 application. But I think with trends that have happened
10 that Director Gavin just talked about, this isn't just a
11 one-off, and so --

12 DEPUTY AG OTT: Sure. Deputy Attorney
13 General Greg Ott. So the way that I read the statute,
14 staff can issue a Notice of Concern without Board
15 direction at all. It's within their discretion to do
16 that. They don't need an action from the Board to do
17 that.

18 My opinion that I rendered earlier was just
19 that the way that it is currently agendized for approval
20 of this item, if you were to go outside of that and say
21 we don't want to act on that. We want to instead issue a
22 Notice of Concern, which you don't have to do. Staff can
23 do instead, could arguably be outside of the scope of the
24 way it's agendized. So that is what I was trying to get
25 across, not --

1 CHAIR JOHNSON: Okay. Thank you. I just
2 want to make sure I understand properly.

3 MEMBER GUINASSO: Mr. Chairman?

4 CHAIR JOHNSON: Yes, Member Guinasso.

5 MEMBER GUINASSO: I'd like to make a motion
6 to reject this application with instructions to re-submit
7 it and to provide an explanation as to why they didn't
8 comply with the contract and the regulation and to
9 re-submit that at a later date.

10 MEMBER SNOW: This is Member Snow. I'll
11 second that motion.

12 CHAIR JOHNSON: Is there any discussion or
13 questions about that? All in favor of rejection of the
14 application until resubmitted with explanations of
15 deficiencies?

16 THE BOARD: Aye.

17 CHAIR JOHNSON: All right. The motion
18 passes.

19 MEMBER GUINASSO: The second matter that I
20 pulled from the consent agenda has to do with what was
21 mentioned in public comment, and that was that Founders
22 Academy amendment. We had some discussion last meeting,
23 and I'm new to this, and so I'm still learning some of
24 the language and the terminology, but understanding, you
25 know, what an EMO is versus what an EMO is not. And

1 initially, when we talked about this last month, there
2 was some concern that if we required both the charter
3 school management corporation and the Founders Education
4 Legacy to be a part of the amendment that they would --
5 that we'd be treating them as if they were an EMO, and we
6 would be somehow making a regulation. But in looking at
7 what the definition of an EMO is over the last several
8 weeks under the NRS and looking at what these entities
9 purport to be, it would seem to me that it's within our
10 discretion as to how to interpret that regulation and to
11 require them to file amendments.

12 So I guess my first question for Mr. Gavin
13 is, in their letter, Founders said that both CSMC and FEL
14 would provide an amendment if we required it, and I'm
15 assuming because this is on the agenda, we're requiring
16 them to provide an amendment. Is that right?

17 EXECUTIVE DIRECTOR GAVIN: Staff believe that
18 both of these entities qualify as an EMO, so yes, we do
19 believe that it requires an amendment, sir.

20 MEMBER GUINASSO: And our understanding of
21 EMO really comes from the statute. And it appears, it
22 says, "Means a corporation, business, organization, or
23 other entity, whether or not conducted for profit, with
24 whom a committee to form a charter school or a governing
25 body of a charter school, as applicable, contract to

1 assist with the operation, management, or provision and
2 implementation of educational services."

3 And so it's our assessment or the staff's
4 assessment that both of these organizations fit within
5 that definition, right?

6 EXECUTIVE DIRECTOR GAVIN: Staff's assessment
7 is that Founders Educational Legacy, which essentially
8 provides employee leasing services to the school,
9 including at this point instructional staff, and at least
10 in the past was also the employer of record for the
11 school's lead administrator, constitutes an EMO because
12 the provision of educational services and instruction,
13 teaching and learning, is clearly the core business of
14 the school. So that's an outsourcing of all core
15 function of educational services.

16 Similarly, CSMC is essentially the school's
17 CFO and provider of back-office services. It is not
18 simply payroll processing or check cutting. Because one
19 of the three pillars, one of the three sort of drivers of
20 our performance contract is financial management and how
21 well you actually care for public funds and how you use
22 them, that also, I think, is very clearly a core business
23 function of a school. We're not talking about IT. We're
24 not talking about like Gmail services or something else
25 that sort of just everybody, that lots of entities and

1 governmental agencies and lots of other folks outsource.
2 We're not talking about private cleaning services. These
3 are core business functions that are statutorily required
4 of schools. So that strikes me that these are -- this is
5 core stuff that meets the definition of EMO.

6 MEMBER GUINASSO: Got you.

7 CHAIR JOHNSON: I just had a question,
8 Director Gavin. I was talking to some colleagues who
9 also operate a charter school space nationally. In
10 trying to understand, you know, I know this is common
11 practice across other places that are more mature than
12 our current charter market.

13 Is there a way, though, for us to be somewhat
14 innovative in how we look at -- not necessarily in terms
15 of the definition because right now, the definition is
16 very broad. It can include a lot of different things
17 which I think what concerns to many of us who read the
18 definition of it. Is there a way for us to -- I know
19 this can't happen through this body, but figure out a way
20 that we could look at whether one of these contracted
21 services represent a percentage of per-pupil funding or
22 -- because I think a dollar threshold actually would
23 allow for wiggle room for people to come until one dollar
24 below the threshold.

25 But anyway, if it's -- how can we get to that

1 point where we don't over -- we're not overregulating,
2 we're allowing for autonomy in the schools, yet we as a
3 Board are allowed to do our job and provide good
4 oversight where rules are flexible enough that, you know,
5 schools can operate as they needed to and we get involved
6 when we see flags or triggers that might need to involve
7 us.

8 EXECUTIVE DIRECTOR GAVIN: Really excellent
9 question, Mr. Chairman. So I just want to put a couple
10 of points down. So first, this school did a really
11 articulate job of pointing to the -- of making a really
12 good slippery-slope argument that goes, you know, that
13 comes out of CERTA. But these two entities are clearly
14 squarely within the definition of EMO. I think if people
15 start coming back and going, "Hey, does Busy Bee Cleaning
16 Service have to be this?" That's when we can have that
17 conversation from the perspective of the blocking and
18 attacking them piecemeal.

19 The larger question you're asking about sort
20 of establishing essentially a Bright-line standard of
21 some kind, that, I believe, is the job -- is the role of
22 regulation. And that is something that as my
23 understanding is currently within the purview of the
24 Department of Ed. So certainly, the Department of Ed, as
25 part of the rule-making process, could establish and

1 actually really should clarify in the NAC this
2 definitional stuff.

3 I don't believe that they're in a position to
4 do that right now because we are in the quiet period for
5 rule making, so we're talking a ways out. This could
6 also be tweaked in statute, and I think part of the
7 reason for the conversations I've had with the school is
8 this is a very broad definition, and it's broad for a
9 reason, and that is that we've seen in the past and we
10 have seen nationally that there are many different ways
11 of slicing and dicing contracts and creating layers and
12 SLCs and whatever else with all of these separate
13 agreements so that in broad strokes, this thing looks
14 like an EMO, but then if you actually dig into each
15 individual contract, they somehow don't meet the
16 definition. There's a lot of ways to wiggle. And I
17 think the legislature chose to make it a very broad
18 definition because of the concern about what some people
19 view as privatization. I don't think that's what I view
20 it as or this body views it as. This is a legitimate
21 mechanism for allowing schools to do their core business
22 with more efficiency. But it is something where you're
23 talking public funds and putting them into another
24 entity, and I think one thing that is very different
25 about Nevada's charter school versus charter schools in

1 other states, including our two neighbors with very large
2 charter school marketplaces: Arizona and California, is
3 that charter schools in Nevada are first and foremost
4 public entities. They are created through the process of
5 the issuance of the charter contract versus in Arizona,
6 you and I can go and start a charter school as Adam and
7 Patrick Incorporated -- as Adam and Patrick, sole
8 proprietors or as an S Corp or an LLC or whatever else,
9 for-profit entity, individual, whoever can hold a charter
10 in as Arizona.

11 In California, it can be -- a 501(c)3 can go
12 and get it. Again, so it's the granting of a license to
13 operate what was effectively a private entity and creates
14 a public/private hybrid. Our legislature, from the
15 inception of the charter school law, has chosen to create
16 charter schools first and foremost as public entities.
17 Now, whether that is good policy, whether in fact they
18 should be more private in some way or another, that is a
19 question for the legislature and not for us. But I do
20 think that's one of the issues that does come up that is
21 a trip-up for folks coming in from other places or
22 they're used to sort of looking at the broad landscape
23 nationally on this. Our law looks a lot more like places
24 like Massachusetts or New York where they're public
25 entities first and foremost versus California, Arizona,

1 or Colorado or Ohio.

2 So did I answer your question? I feel like I
3 rambled there a bit, sir.

4 CHAIR JOHNSON: I'm just trying to figure
5 out, how do we get to a place where there's a medium
6 here, right? I think there needs to be --

7 EXECUTIVE DIRECTOR GAVIN: I think it happens
8 through the process. I think it's when people come to us
9 and we look at something and we say -- and some of this
10 is staff saying no, this is clearly not EMO, and if we're
11 concerned, and if we're concerned, we can bring it to
12 you.

13 But the other thing I would say is that the
14 Board has significant authority to delegate these
15 decisions to staff. I think one of the -- certainly, you
16 know, we have had a practice in the past of bringing
17 material amendments like this to the Board so you're
18 informed of them, and I think that that is an important
19 part of the process because I don't like the idea of
20 keeping my Board in the dark about significant material
21 changes to contracts. But the flip side of that is staff
22 also has some ability to -- I think to say, "Yeah, this
23 clearly -- this is a cleaning company." This is not what
24 we're talking about here, guys.

25 CHAIR JOHNSON: I guess I'm also just trying

1 to make sure that from the perspective of our schools, I
2 wouldn't want them to have to come to you with every
3 single thing either, right? They have more important
4 things than that. So how do we, again, find the medium
5 where they don't feel like they are again acting as we
6 are in a traditional school district where they have to
7 bring -- and even in traditional school districts, they
8 don't bring every single, right -- so making it clear so
9 that everyone understands that, you know, this is what
10 fits into the definition and that is what does not.
11 These are things we may have to kind of run up the
12 flagpole, et cetera.

13 And I don't think -- again, I don't think
14 that a dollar amount on a contract might be the best way,
15 but I also do think when you start to talk about a
16 percentage of your per-pupil fund, and because we are a
17 public entity, that actually gets into more of an area
18 where we might want to be more concerned about what the
19 school is doing and how it might affect their day-to-day
20 operations or their financial solvency. So again, just
21 we have limited resources all around, and time is the
22 most limited. And so I don't want our schools to have to
23 come -- and I'm sure Vice-Chair Mackedon would agree with
24 that wholeheartedly.

25 VICE-PRESIDENT MACKEDON: Melissa Mackedon,

1 for the record. That's what I was sitting here thinking
2 as you were talking. If I'm a school sitting out there,
3 how do I know? How do I know what I need to bring? And
4 I think Patrick kind of led us to that when he said if
5 it's part of one of the frameworks, it needs to be
6 recognized as an EMO. If it's not something that we
7 measure in an organized -- in one of the frameworks, then
8 I'm not going to worry about it. I mean, would that be
9 --

10 CHAIR JOHNSON: I also think that leaves it
11 open to interpretation. This circumstance right here was
12 the reason why it was left to interpretation and the
13 school interpreted it as not a core function, and so it
14 kind of operated as such.

15 VICE-PRESIDENT MACKEDON: That's a financial
16 framework. I mean, that's a major function. That's one
17 of the three things --

18 CHAIR JOHNSON: I don't disagree. I'm just
19 saying I think the way they read what they were actually
20 doing, they didn't actually see it as a -- and so again,
21 because it was left to their interpretation of it, they
22 could then determine, "Oh, we actually don't need to have
23 any more discussion." So maybe we're not going to
24 probably solve this right now, but I also think that it's
25 important for us to think about how do we move forward so

1 we don't get into this conundrum again.

2 EXECUTIVE DIRECTOR GAVIN: Thank you, Member
3 Johnson. So I think part of this is precedent helps.
4 Precedent is a guideline. So anyone who wants to work
5 with CSMC going forward knows hey, if we've got a
6 contract that looks pretty similar to the Founders one --
7 and this is effectively what Coral did. They said, "Oh,
8 my gosh. We need to make sure we do this." And they've
9 been super collaborative on this process, as has
10 Founders. And I want to emphasize that. They're not bad
11 guys. They're not trying to -- I don't think they're
12 trying to pull a fast one here. They're just sitting
13 here going, "Help." We want to make sure this doesn't
14 turn into overregulation and overreach, but we also want
15 to make sure we follow the rules, too. So I really want
16 to emphasize that.

17 I mean, we don't have a lot of people who are
18 out there who are bad actors in this space. We've got
19 people who are doing this and could be doing a lot --
20 making a lot more money and working a lot less hard than
21 they are at every one of our schools.

22 CHAIR JOHNSON: I don't disagree.

23 EXECUTIVE DIRECTOR GAVIN: So I want to
24 emphasize that. So but with regard to this whole issue,
25 so precedent will help. The second piece is -- and I

1 think that's -- so things we're going to start seeing.
2 We are going to see precedents like, okay. Clearly, just
3 like Academica. Okay, clearly an EMO. Everyone works
4 with them. They have to go through this process. They
5 do it. Now we'll have the CSMC and probably other
6 entities that do the same thing, whether that's charter
7 school business management depends again on the scope of
8 the contract or other folks. If you're just providing
9 advisory services and you're not really accountable for
10 much, then that begs a lot of questions about whether
11 you're really an EMO or not. It's not really an
12 outsourcing.

13 I think the one that is going to be the
14 sticking point, the one that really keeps me up at night
15 and that I want to make sure schools really think about
16 is we have a number of -- so we have large national EMOs
17 that hire and compensate and direct the work of the
18 school here. K12 and Connections do this, and they have
19 -- and that's a part of -- they have business that's been
20 a core part of their work for a very long time. And
21 certainly, they know they function as EMOs, and anyone
22 who wants to contract with K12 and Connections for
23 management services and all of that knows that they're an
24 EMO.

25 What I think about when I look at the

1 Founders Legacy situation is this is a nonprofit, but it
2 could also be like a single person LLC, so Retired School
3 Leader A., LLC, which essentially a former superintendent
4 or a former principal who wants to be able to collect his
5 or her PERS while still doing work, that's the kind of
6 thing where you've now turned your school leader into an
7 EMO, which raises all sorts of important questions in
8 terms of the compensatory controls that that governing
9 body needs to think about. Can you delegate authority to
10 execute a contract to a vendor which is essentially what
11 you've turned your principal into, or does that now need
12 to be somebody else who does that, and that raises all
13 sorts of questions about how contracts are structured,
14 how the process of boards are run. Those are the kinds
15 of things that I think I want to make sure our schools
16 are being really thoughtful and strategic about because
17 this raises all sorts of legal issues that come up.

18 CHAIR JOHNSON: Member Conaboy?

19 MEMBER CONABOY: Mr. Chairman, I think there
20 isn't any more that we can do on this topic today. I
21 think the language in statute, not just reg, but statute
22 is very clear, and it says that, "A corporation,
23 business, organization, or entity that directs employees,
24 directly employs or provides personnel to a charter
25 school." And that's what Founders is doing. So and

1 they've asked us now for permission. I'm happy to grant
2 permission.

3 I think as a young agency, what we are seeing
4 is what we see at almost every meeting, which is an issue
5 that becomes an issue as our schools mature and then have
6 to face these kinds of decisions. But this is in
7 statute, so if people want it changed, I happen to know
8 that the Charter School Association is working on a
9 legislative agenda. Its members are schools sitting in
10 the audience, can go to their leadership of CSAN. It's
11 on my radar now as we look at refinements during the next
12 session, and they can request a definition. And in fact,
13 as CSAN, our schools could help write that definition and
14 suggest something that's workable. But today, given the
15 construct of statute, I think that it's appropriate and
16 important that the Founder's amendment be considered a
17 material amendment and we go forward on those grounds.

18 CHAIR JOHNSON: I'll accept a motion. I'm
19 sorry. Member Snow? I apologize.

20 MEMBER SNOW: I was just going to make a
21 motion to approve the item and with the understanding
22 that we're going to have to rely on staff to be judicious
23 on what's going to apply and what's not. And I think
24 until we have a change in statute, I'm comfortable
25 approving these on the consent agenda and moving forward

1 and use your best discretion and try not to be overly
2 bureaucratic about it. I'm going to offer a motion to
3 approve the application.

4 VICE-PRESIDENT MACKEDON: Melissa Mackedon.
5 Second.

6 MEMBER GUINASSO: Member Guinasso. Just a
7 brief discussion point, and I won't belabor this. The
8 reason why I pulled it is just so we could have this
9 discussion, and I think it was important not only for my
10 edification as a newer board member and for us as a board
11 to discuss, but I think it's just really important to
12 those that we're governing that they understand how we're
13 thinking about this statute and these rules so that as
14 they're considering their operations, they know how to
15 bring their operations into compliance. So I don't want
16 there ever to be any mystery about how we do these
17 things. And so I'm hopeful that that discussion has
18 provided some guidance to those who would be listening
19 and would care to make sure that their operations are
20 complying with Nevada law and the way that we are
21 applying that law.

22 CHAIR JOHNSON: Thank you, Member Guinasso.
23 All in favor?

24 THE BOARD: Aye.

25 CHAIR JOHNSON: All right. The motion

1 passes. And then the last item, Member Guinasso,
2 consideration and possible action regarding Fall 2016
3 expansion amendment.

4 MEMBER GUINASSO: Yes. I just had a
5 question. I didn't really understand what the fall
6 expansion relocation cycle was. It says -- in the first
7 piece, it says, "Utilize the same templates with minimal
8 changes based on staff and applicant feedback."

9 Mr. Gavin, could you just -- I just wanted to
10 understand this better before we approved it. I didn't
11 really understand what was going on here.

12 EXECUTIVE DIRECTOR GAVIN: Thank you for the
13 question, Member Guinasso. So there's a requirement in
14 both statute and in regulation that schools get approval
15 to acquire new or additional facilities. And
16 particularly, in the case of a school that or -- and
17 also, of any amendment that is going to result in a
18 significant increase in enrollment. Typically, that's
19 what happens when you open a new building. You could
20 double in size or increase by 30 percent or what have you
21 depending on the size of your school. This is
22 essentially the expansion process that was used to
23 approve both the Coral High School change at the last
24 Board meeting, and the Somerset pursuit of new facilities
25 also was approved at the last Board meeting.

1 What staff has done, based on what the
2 requirements are in the regulation, and has attempted to
3 identify what are the other areas of the charter contract
4 and of the business plan, the charter application that
5 can be -- that wind up often getting changed materially
6 by replication? Certainly your organizational structure,
7 your financial structure, what your human capital
8 pipeline looks like. And it is intended very much to be
9 much like the conversation that we had with relation to
10 the document for APA, is what are the risks that happen
11 when you grow?

12 We have had schools that have grown willy
13 nilly, sometimes without permission as we've talked
14 about, the Quest situation, and have had huge missteps.
15 Building doesn't open on time because they didn't manage
16 their timeline appropriately, so they don't get a DSA
17 payment for all of those new kiddos until December or
18 maybe it was November, like really, really late, and then
19 they're going out and getting bridge loans at usurious
20 interest rate to make payroll. So that's the kind of
21 risk issue; schools that wind up having to hire school
22 leaders that are not aligned with their mission and
23 vision because they don't know enough about what they
24 want to be when they grow up, and they get stuck in this
25 place where the school leader who isn't the right fit and

1 they have to make a change midyear or end of year that
2 can be extraordinarily chaotic.

3 This is not intended -- this is much more
4 about, "Hey, guys. We want to support you and make sure
5 you're thinking through what the risks are here and also
6 figure out what are the pieces that are important to the
7 charter." So it's really intended to be both things. It
8 is intended very much to be a support conversation, and
9 it's also recognition that this agency has limited
10 resources, so what we've tried to do is essentially give
11 -- we've asked schools to submit these sort of in October
12 and in March so that they have two periods of time when
13 they can really focus on this.

14 But let's be very clear here. This is not
15 saying this and trying a regulation at this point. If
16 the school wants to do something different, they can
17 certainly come before the Board and say, "Hey, we don't
18 want to do this." What I'm trying to do in this process
19 is that what I've experienced in the past is there's a
20 bunch of questions that really smart folks like Kathleen
21 Conaboy and Melissa Mackedon and folks who have been at
22 this work for a really long time go, "Hey, have you
23 thought about this?" And a school goes, "Oh, gosh. I
24 haven't. We'll have to come back to you." Let's try to
25 anticipate what those issues are so that people sit there

1 and go, "Yeah, all of my questions are answered here, and
2 I really think these guys know what they're doing."

3 MEMBER GUINASSO: Yeah, that makes sense.
4 Thanks for that. I'll just move to approve the expansion
5 amendment timeline.

6 CHAIR JOHNSON: Do we have a second?

7 MEMBER CONABOY: Second. Member Conaboy.

8 CHAIR JOHNSON: All in favor?

9 THE BOARD: Aye.

10 MEMBER CONABOY: Mr. Gavin, may I ask when we
11 have consent agendas going forward that under the number
12 of the agenda item, we have -- instead of bullets we have
13 like 4A or something so that we can refer to that.

14 EXECUTIVE DIRECTOR GAVIN: I think that's a
15 really helpful suggestion. Thank you, Madame Chair --
16 sorry. Madame Chair Emeritus.

17 CHAIR JOHNSON: All right. All in favor of
18 approving the remainder of the consent agenda or
19 actually, I'm take a motion to approve the --

20 MEMBER CONABOY: So moved. Member Conaboy.

21 MEMBER SNOW: Second. Member Snow.

22 CHAIR JOHNSON: All in favor?

23 THE BOARD: Aye.

24 CHAIR JOHNSON: All right.

25 DEPUTY AG MAGAW: Ed Magaw of the Attorney

1 General's Office. I had a question on the previous vote,
2 the vote before this last vote.

3 CHAIR JOHNSON: Yes.

4 DEPUTY AG MAGAW: I believe the commissioner
5 said it was on an expansion amendment, but from my
6 understanding, we were talking about the sixth bullet
7 down, which is about academy relocation or --

8 CHAIR JOHNSON: No. We had actually
9 discussed that one first, and then we had come back to
10 this one. So this was the third from the -- dot number
11 -- it's a little confusing, but it's third from the
12 bottom.

13 EXECUTIVE DIRECTOR GAVIN: I also just want
14 to emphasize I'm also slightly confused here. Maybe I
15 sort of like spaced for a second here. We've had --
16 there was clearly a vote by the Board to approve the
17 Founder's EMO situation.

18 CHAIR JOHNSON: Correct.

19 EXECUTIVE DIRECTOR GAVIN: There was clearly
20 a vote to deny the APA issue. I feel like we've just had
21 -- maybe again, they are so close together I got
22 confused --

23 CHAIR JOHNSON: They are close together, but
24 we did have two separate votes.

25 EXECUTIVE DIRECTOR GAVIN: We did the

1 expansion amendment --

2 CHAIR JOHNSON: Member Guinasso --

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

4 EXECUTIVE DIRECTOR GAVIN: And then everyone
5 voted, and then we did this other one.

6 CHAIR JOHNSON: Correct.

7 EXECUTIVE DIRECTOR GAVIN: I just really want
8 to be clear because I want to come back. I'd like --

9 CHAIR JOHNSON: Not a problem.

10 EXECUTIVE DIRECTOR GAVIN: -- Oh, my God. We
11 didn't do something right.

12 CHAIR JOHNSON: So Member Guinasso motioned
13 to approve the consideration of possible action for the
14 fall expansion, and then Member Conaboy then moved to
15 approve the remainder of the consent agenda.

16 EXECUTIVE DIRECTOR GAVIN: So you combined
17 the two items?

18 CHAIR JOHNSON: I did not combine them. They
19 were two separate actions.

20 EXECUTIVE DIRECTOR GAVIN: Okay.

21 DEPUTY AG MAGAW: I apologize for the
22 interruption.

23 CHAIR JOHNSON: No problem, Mr. Magaw. All
24 right. I'd like to actually move to Agenda Item No. 7,
25 so Quest Academy and Silver State receiver update from

1 Mr. Kern, if he's still in the audience up there in the
2 north. He is. Perfect.

3 MR. KERN: Good morning. I'm sorry I'm not
4 in Las Vegas in person to be with you, but I've been
5 working most of the week at Silver State, so I thought it
6 just made more sense to stay up here for today's meeting.

7 Good morning. My name is Joshua Kern, and as
8 you know, I am the receiver for both Quest Preparatory
9 Academy and Silver State Charter School. I'm here today
10 to provide a brief update on both schools.

11 Let me start with some very good news. When
12 I appeared before you last month, Quest was opposing
13 five-day notices to pay rent or quit at both the Torrey
14 Pines and Bridger campuses. Today, I am pleased to
15 report that we have defeated the Torrey Pines' summary
16 eviction in court, and the landlord at Bridger has
17 withdrawn his eviction notice. I will provide more
18 details later in my testimony, but for now, all three of
19 the school's campuses are open.

20 I suspect that most, if not all of you, have
21 by now seen John Oliver's bit on charter schools.
22 Whether or not you find it funny, it's an important
23 reminder of how a few bad actors can delegitimize the
24 entire charter school movement, which now serves over 3
25 million students on 6,500 campuses throughout the United

1 States. It's why protecting the integrity of the
2 movement is of the utmost importance. We all must be
3 vigilant. And it goes without saying, but I will say it
4 anyway; that John Oliver could have just as easily used
5 Quest's previous administration as an example in his long
6 rant. Unfortunately, none of us can change the past at
7 Quest or at Silver State. We do, however, have an
8 important opportunity to help write the next chapter at
9 both schools. For Quest, the next chapter will be about
10 what happens with the Torrey Pines and Bridger campuses.

11 Quest was duped into moving into these two
12 properties through undisclosed insider deals and under
13 terms and conditions that unduly enriched the conflicted
14 property owners and were unreasonable and unfavorable to
15 Quest and unaffordable to Quest, but now the jig is up.
16 The foundation is defunct, and the ugly facts are all in
17 on full display before the Court.

18 Quest initiated litigation against the
19 landlord and Tony Windsor for, among other things,
20 constructive fraud and breach of fiduciary duties and bad
21 faith in order to reform the lease and collect damages.
22 The denial of eviction by the justice court speaks to the
23 merits of the pending litigation. Now what? Will
24 landlords continue to try to evict Quest from these
25 properties, or will they do the right thing and enter

1 into fair, long-term arrangements with the school? I
2 will, of course, do everything in my power to insure that
3 the latter occurs. What happens next will largely
4 determine whether Quest can serve as an example of
5 effective charter school oversight or whether it will be
6 the butt of the next late night comedian's joke.

7 Before I get to my more specific school
8 updates, let me just say that your jobs as authorizers
9 are critical to the success of the movement. John Oliver
10 highlighted some uniquely egregious examples of the
11 exploitation of charter schools, but there are also far
12 more common varieties that occur with little or no
13 consequences: large severance packages to departing
14 executives, sweetheart arrangements with developers and
15 landlords, CMO/EMO fees based on percentage of revenue
16 rather than scope of work. Any one of these relatively
17 common arrangements may one day end up on the front page
18 of the paper or as the feature in another news story
19 concerning the charter school sector's waste, fraud and
20 abuse of taxpayer dollars.

21 Okay. So now here's where we stand with
22 Quest and Silver State. Let me start with the easier of
23 the two: Quest. I never thought I would say that.
24 Quest is operated on three campuses: Torrey Pines,
25 Bridger and Anderson, with a total of 737 students. I'm

1 sorry. Alexander. Excuse me. Quest is fully staffed at
2 all three locations. As I mentioned, Quest defeated the
3 landlord's application for summary eviction. To quote
4 Judge Bita Yeager's order in the matter, "The Court finds
5 that there are genuine issues of material fact and that
6 this action is not appropriate for summary eviction."

7 We've heard nothing from the landlord since
8 that court hearing on August 15th except for what I just
9 heard from Mr. Orme this morning in public comment. One
10 likely explanation for their silence is that they are
11 scrambling to address the concerns of the David McKay
12 School. After Monday's hearing, the David McKay School
13 posted on its website that due to circumstances outside
14 its control, its northwest campus was no longer available
15 to the school.

16 At Torrey Pines, Quest executed a 12-month
17 lease directly with William Scottsman for the eight
18 portable classrooms and one portable restroom. These
19 portable classrooms accommodate approximately 291
20 students from the over 600 students currently at Torrey
21 Pines Campus.

22 At Bridger, we continue to negotiate with
23 Larry Ryder for the purchase of a building. Remember
24 that this is the campus where Larry leased the site to
25 the CFE Foundation, and the foundation then leased it to

1 Quest with a \$14,000-a-month markup. The foundation then
2 defaulted on its lease payment to the landlord. Larry
3 sent an e-mail this week stating that he's in talks with
4 the City of Las Vegas to purchase the property. It would
5 be surprising if the City would consider purchasing this
6 building once it learns that doing so would mean the
7 eviction of 144 students, largely from disadvantaged
8 homes, and faculty and staff. I continue to believe that
9 he has a moral and ethical obligation to sell the
10 building to Quest at fair market value.

11 What Quest needs at both Torrey Pines and at
12 Bridger is stability. That stability requires either a
13 long-term lease arrangement or a negotiated purchase
14 price. I remain hopeful that Quest can achieve stability
15 at both campuses. And while I would prefer to work
16 collaboratively with the landlords, I remain to zealously
17 defend the rights of the school if we cannot reach an
18 agreement on our own. Finally, I encourage you to visit
19 Torrey Pines this fall. While there is still certainly a
20 lot of room for improvement, I think you will be very
21 pleased with what you see.

22 Now on to Silver State. When I appeared
23 before you last month, I said that the school faces three
24 immediate challenges: student enrollment, teacher
25 hiring, and refinancing. Unfortunately, I underestimated

1 the number and severity of these challenges. On
2 enrollment, Silver State opened on Monday, August 22nd,
3 with 165 students. Since then, four new students have
4 enrolled, and one student withdrew. So as of yesterday
5 afternoon, the school has 168 students enrolled. This is
6 well below the 280 students that the school budgeted for
7 this year. As for staffing, the school needs to hire a
8 nurse and a counselor, but is otherwise fully staffed and
9 able to run its program.

10 On the refinancing, I spoke with a Bank of
11 America representative this week. Silver State will need
12 to find takeout financing, as Bank of America is not
13 interested in refinancing the loan. I suspect that
14 another traditional lender will be skeptical about
15 providing takeout financing under the current
16 circumstances facing Silver State. We are exploring both
17 traditional and non-traditional sources of financing and
18 have informed such to Bank of America.

19 In the meantime, we are exploring the
20 possibility of selling the vacant lot and vacant
21 structure that comprised the entire Silver State
22 property. I met with a broker earlier this week who
23 could list both properties for us. We also met with a
24 potential purchaser yesterday which expressed some
25 interest in the vacant lot and the unused building.

1 In addition to these three challenges, the
2 following are some of the other issues that the school
3 faced this past week. Silver State placed the executive
4 director on paid administrative leave last week pending
5 further investigation. I've asked the state
6 superintendent to appoint a hearing officer on this
7 matter. In the interim, different members of the
8 administration are stepping up to assist with various
9 administrative duties. Teachers and staff reported to
10 work three days before the start of school to find out
11 that the school had decided to change learning management
12 systems from BrainHoney to FuelEd. Teachers had no prior
13 exposure or training to FuelEd. After three days of
14 intense training and debate, the school decided as a team
15 that making the switch to FuelEd with no meaningful
16 training or setup time would likely have dire
17 consequences for the students and faculty, so we decided
18 to stay with BrainHoney. Even the outside consultant who
19 was involved in the switchover to FuelEd expressed
20 concern to me this week about the school's ability to
21 transition to a new learning management system. We will
22 still be able to use some of FuelEd's credit recovery
23 courses within the BrainHoney learning management system.

24 I want you to know that the decision to stay
25 with BrainHoney was made Friday afternoon before the

1 start of school the following Monday and that the
2 teachers and staff worked all weekend to get ready for
3 the start of school. There is a core group of talented
4 teachers and staff at Silver State that have kept Silver
5 State afloat under the most trying of circumstances, and
6 I want to take this opportunity to publicly acknowledge
7 and thank them for all of their hard work over the last
8 week.

9 In summary, there is a lot of work to do at
10 Silver State, but it's manageable. Once the immediate
11 issues are addressed, we can start to think about program
12 design and how to better serve the educational needs of
13 students who would benefit from a primarily distance
14 education model. That concludes my prepared remarks.
15 I'm happy to answer any questions you may have on
16 anything I discussed or anything else.

17 CHAIR JOHNSON: Any questions from members of
18 the Board? Member Conaboy?

19 MEMBER CONABOY: Can I just ask Mr. Kern, I
20 think I heard you say that the school put the executive
21 director on paid administrative leave. Who at the school
22 -- is that you? Because there isn't a board anymore.

23 MR. KERN: Right. That's correct. I did.

24 MEMBER CONABOY: Okay. Thanks.

25 MR. KERN: Sure.

1 CHAIR JOHNSON: All right. Thank you,
2 Mr. Kern, for the update.

3 MR. KERN: If you don't mind, I am going to
4 leave with you -- because in response to Chris Orme's
5 public testimony, I think it makes sense for you to read
6 the pleadings yourself, and I think in my last testimony,
7 I actually said I would leave these with you or give
8 these to you. So I have -- I know these are big
9 documents, and I'll work with your staff to figure out
10 how best to exactly do this, but here I have our answer,
11 Quest's answer in opposition to the summary eviction
12 which the judge denied on August 15th, and I also have
13 our complaint, and I have the court's ruling. And I
14 think you don't have to read all of it obviously, but the
15 first few pages, my declaration and the complaint and the
16 judge's ruling, I think, will allow you to consider for
17 yourselves whether or not this litigation should move
18 forward.

19 CHAIR JOHNSON: Member Guinasso?

20 MEMBER GUINASSO: Yeah. I was wondering
21 about with regard to Quest, are they paying the rent
22 under the lease agreement as they agreed to originally,
23 or is that not happening? And is that the reason why we
24 have this litigation?

25 MR. KERN: We are not paying the rent. We

1 offered to put the rent payments into a performance bond
2 pending the decision on the merits that are in front of
3 the court as we speak.

4 MEMBER GUINASSO: Are there any other
5 provisions of the lease that aren't being complied with?

6 MR. KERN: I don't believe so.

7 MEMBER GUINASSO: Thank you.

8 MR. KERN: Sure.

9 CHAIR JOHNSON: Any further questions?

10 MEMBER GUINASSO: Not for the presenter, but
11 these are two charter entities that aren't performing or
12 haven't performed, and it seems to me a lot of grace has
13 been extended to both of them. And I just wonder if a
14 part of these updates and reviews, if we shouldn't be --
15 and we can't within the scope of this agenda item because
16 it's just an update, but maybe for future agendas, if we
17 determine that it's -- the continuing to offer grace
18 really isn't in the best interest of the school and it
19 really isn't in the best interest of what we're trying to
20 do in the charter world as regulators or overseers of
21 that, that we shouldn't be considering revisiting the
22 issue of whether we should close these schools down.

23 Because at some point, I think charter
24 entities have to fulfill their obligations to people that
25 they contract with. And when they don't, that gives all

1 of the rest of the charters a bad name. I think that
2 they have an obligation to deliver on what they promised
3 to deliver on when they submitted their original
4 application. If they're not doing that, it just seems
5 like we should have some ability to just say, you know,
6 this really isn't working. Let's get this on a track for
7 closure. And so maybe in the future updates, if we had
8 that as an ongoing question as to whether we should
9 continue to perpetuate the track we're on with both of
10 these entities or whether we should start moving in a way
11 to a closure.

12 EXECUTIVE DIRECTOR GAVIN: Thank you for the
13 thoughtful question, Member.

14 MEMBER CONABOY: May I ask what Patrick --
15 Mr. Gavin to address specifically a point that maybe is
16 on your mind as well, but maybe for the benefit of our
17 new members, you could talk about our new authority for
18 reconstitution.

19 EXECUTIVE DIRECTOR GAVIN: Thank you for that
20 particular point, Member Conaboy. I'd like to actually
21 talk about these sort of in reverse order. We talked
22 about Quest first and then Silver State. In the
23 situation with Silver State, as members who are -- and
24 members of the public will certainly recall -- who love
25 to attend our meetings because they're so exciting -- and

1 as our veteran members will certainly recall, this body
2 voted to revoke Silver State's charter, written charter,
3 back in January of last year based on the systemic
4 financial mismanagement of that school.

5 That school retained counsel from an
6 eminently qualified law firm. Actually, a partner from
7 that firm is in the audience for other reasons, and they
8 objected to the circumstances surrounding that closure
9 and raised a number of procedural issues which may or may
10 not have had merit. This body chose to enter into
11 settlement negotiations that resulted in a settlement
12 agreement that provided for the rescission of that
13 closure. The renewal of that school for a six-year --
14 for a full six-year term. There's no statutory mechanism
15 for doing sort of a short-term renewal, but also setting
16 performance targets for particularly in the area of
17 graduation rates from now through 2019.

18 It also specifically provided for
19 receivership and trusteeship with both of the -- with the
20 trustee to serve as a watchdog for both the actions of
21 the receiver and the conduct of the Authority with
22 relation to this matter and put primary -- and place the
23 court in a position where it must ultimately approve all
24 decisions made by either the school or this body related
25 to sort of what happens with Silver State including

1 changes to their charter contract or whatever else.

2 I don't believe, based on the terms of that
3 settlement agreement, that we are in a position to
4 initiate a closure unless there is some change, unless
5 there is some real violation of that settlement
6 agreement, and I'll defer to counsel on that, but I can
7 certainly make sure we get you a copy of the settlement
8 agreement as well. I know it's posted on previous
9 sections of the website. We can make sure you get a copy
10 of that, Member Guinasso. With relation to Quest --

11 MEMBER GUINASSO: Stop you there for a second
12 on that --

13 EXECUTIVE DIRECTOR GAVIN: Sure.

14 MEMBER GUINASSO: Member Guinasso, for the
15 record. I guess that's part and parcel of what these
16 updates really should be, is are the terms of the
17 settlement agreement being complied with? And be able to
18 have some way to monitor that from month to month.
19 Because if they're not, then there's no reason to
20 continue forward if they're not complying with those
21 terms. If they are, then, you know, good faith certainly
22 will continue to monitor and hope for the best, but maybe
23 in the future agendas, we could really be analyzing that
24 as a part of these updates.

25 EXECUTIVE DIRECTOR GAVIN: Sure. With

1 relation to Quest, Quest is a little bit more of a sticky
2 wicket for many of the reasons that have been discussed
3 both in public comment and in Mr. Kern's testimony. The
4 Quest situation is one where this body was placed in a
5 position where it needed to intervene midyear to prevent
6 the imminent dissolution of the school. It was within
7 weeks of not being able to meet payroll in the middle of
8 the school year and put over a thousand kids out on the
9 street in a district that is dramatically over capacity.

10 This body chose to impose the receiver
11 through the mechanism of the contract. The Board
12 basically -- at that same meeting, the Board of the
13 school essentially through its -- basically as a result
14 of stacking its membership with individuals who are not
15 qualified to serve due to the nepotism prohibitions,
16 essentially put itself the a place where it no longer had
17 a quorum and could not function, so it effectively
18 abdicated all governance rules. That was not something I
19 think that this body wanted to see happen, but it did
20 happen.

21 This body has chosen to give the receiver
22 time to continue his work in this area, and I will note
23 that there were multiple points in this last six months
24 when there was discussion about -- even just the closure
25 of a single campus prompted sufficient outcry that this

1 body chose to defer some of that decision or give more
2 time to it because of the concerns raised by both
3 landlords and parents and families and staff.

4 If this Board chooses to change direction and
5 wishes to start looking at an orderly wind down of this
6 institution, I think that is certainly within its purview
7 and something we can talk about, but I would note that we
8 have to keep in mind that it's going to be very hard to
9 do this midyear. School has already started. I think
10 this school, unless there is some external change that
11 I'm not -- that we can't predict at this point, it's
12 certainly in the position to continue to operate in some
13 way, shape or form through the remainder of this year.
14 Whether it should beyond that is ultimately at the
15 discretion --

16 MEMBER GUINASSO: Let me stop you on that
17 point there, and that's kind of the crux of my question
18 is that every time we have these on the agenda because
19 it's set up as an update, so our hands are really tied.
20 There's not much action we can take on an update matter.
21 But in the future on these sorts of things, I always want
22 to have the option to take action on that issue because
23 of the tenuous nature of their financial circumstances.

24 If we're not ready to act in any given month,
25 I don't think we would be doing our job as a board, you

1 know, monitoring their situation and making sure that
2 they're keeping commitments to the people they have
3 contracts with as well as to the students that they're
4 serving. And so I'd like some mechanisms to every month
5 -- and let folks know that as far as it depends on my
6 vote, they're on a super short leash.

7 MR. KERN: If I could interject, Member
8 Guinasso, is it? Guinasso?

9 MEMBER GUINASSO: Yes.

10 MR. KERN: A couple of things. One is I
11 believe the school is meeting all of its contractual
12 obligations. I think the one that you're referring to is
13 the lease at Torrey Pines that we're now paying rent on,
14 and that lease itself is the subject of current
15 litigation as to whether or not it was entered into
16 legitimately or not. And you'll see in the pleadings
17 that I will leave with you that there is a very good
18 reason to think that it is not a valid lease, is how the
19 court is going to view this, and it's the reason why the
20 court denied summary eviction.

21 So certainly, I appreciate the perspective
22 that the school needs to be meeting its obligations with
23 vendors, but where there is a legitimate dispute about
24 what the obligation is, I would hope that this body would
25 allow that process to play out and not to intervene in

1 that process. I think it's extremely important actually
2 not just for the school, but for the movement to allow
3 issues like this to play out and not to circumvent them.

4 MEMBER GUINASSO: I apologize. I didn't mean
5 to suggest otherwise. I was actually just talking in
6 broader terms, but I appreciate the clarification.

7 CHAIR JOHNSON: All right. We thank you,
8 Mr. Kern, for the update.

9 We can move on to Agenda Item No. 9:
10 Updates, discussion and possible action regarding status
11 of Nevada Connections Academy charter contract
12 incorporating the terms of the proposed improvement
13 plans. So Deputy Attorney General Greg Ott and
14 Mr. Gavin.

15 DEPUTY AG OTT: Thank you. Deputy Attorney
16 Greg Ott. As you heard in public comment, the school,
17 and also in the Beacon item, wanted to be heard in an
18 effort to -- when I saw how this was agendized for an
19 update from me, I, in an effort not to hide the ball from
20 the school, I sent them my proposed language of what I
21 was planning to tell the Board. Connections did provide
22 some comments, so what I'm going to read has been sent to
23 them and is my characterization of the status of the
24 negotiations. So apologies if I'm reading and not making
25 eye contact, but that's why I'm doing it.

1 So representatives from the school,
2 Connections Academy, expressed surprise that I
3 interpreted the SPCSA Board action as requiring the
4 school to transition to a charter contract. I told the
5 school that the SPCSA Board motion, in my opinion,
6 clearly made the transition -- clearly made the approval
7 of the presented goals contingent upon the school
8 entering into a contract, and that the form for that
9 charter contract would be the contract agreed to by
10 Beacon Academy but that the terms could be negotiated by
11 both parties. I also informed the school that in the
12 event that a contract was not agreed to, the matter would
13 be brought to the SPCSA Board.

14 A draft contract was submitted to the school
15 on 8-15, and while the school is explicitly reserving all
16 of its legal and other rights, specifically including,
17 with respect to the issue of whether it can be required
18 to convert its charter into a charter contract under
19 these circumstances, the school has agreed to produce a
20 redline of the contract as soon as it is able. Though it
21 did not commit to a firm deadline, it will attempt to
22 submit the redline by September 19th.

23 CHAIR JOHNSON: Can we just take a small
24 break? I just want to have a couple of internal
25 discussions really quickly with Member -- five-minute

1 bathroom break. We'll reconvene --

2 EXECUTIVE DIRECTOR GAVIN: And to be clear,
3 you mean a conversation directly with counsel?

4 CHAIR JOHNSON: Correct.

5 EXECUTIVE DIRECTOR GAVIN: Okay. I just want
6 to be very clear.

7 CHAIR JOHNSON: So we'll be back in about
8 five minutes.

9 (Recess was taken.)

10 CHAIR JOHNSON: Let's reconvene so we can
11 move forward. All right. So, Mr. Ott, did you have
12 anything further on your portion there?

13 DEPUTY AG OTT: Deputy Attorney General Greg
14 Ott. No, that's my comment on the status of the
15 negotiations. I expect to know more sort of
16 substantive -- I realize that that wasn't a very
17 substantive update for the Board, but I'm hopeful that
18 we'd get the redline as soon as possible, at least by the
19 time in which Connections said that they would effort to
20 get it to us, and then I would be able to have some more
21 substantive updates about what their concerns were or
22 maybe whether they were just in agreement.

23 CHAIR JOHNSON: All right. So we've been, I
24 guess at this process now for a couple of months, and so
25 I would love to make sure that we have a deadline on when

1 this contract is all actually signed and move forward so
2 we can again have benchmarks in place and we can start to
3 monitor progress. You know, I know the September 19 is
4 the day that they anticipated having the contract back to
5 you, but then we have another meeting in September, and I
6 don't want it to get to the same point where we are today
7 where we're a day and a half before the meeting, we're
8 getting negotiations still happen.

9 So is there a way for us to set a deadline of
10 when that negotiation will be completed and then when we
11 come to our September meeting, we have a contract that we
12 can then begin to review, or if not, we can look at what
13 other actions we might need to have so staff needs to
14 come back with an agenda item that looks like something
15 different, whether it's move forward with some sort of
16 revocation of the written charter? Because I just think
17 that we've gone through this process now for several
18 months, and we've provided a lot of leniency in terms of
19 how we want to work with the school, and I want to make
20 sure we can come to some sort of closure here.

21 DEPUTY AG OTT: Deputy Attorney General Greg
22 Ott. The only thing I would ask if the Board wants to
23 set firm deadlines or timeframes by which things be done
24 that it be clear that if it's just a redline that you
25 want to see that that be clear. If it's you want the

1 negotiations to be concluded by a certain date that
2 that's clear just so that counsel on both sides are very
3 clear about what the Board's intent is by the deadline
4 that is set.

5 MEMBER GUINASSO: Mr. Chair?

6 CHAIR JOHNSON: Member Guinasso?

7 MEMBER GUINASSO: I was just wondering.
8 Again, just to address the concern we heard in public
9 comment, really the whole purpose of the agenda item was
10 just for you to give us an update on the status of
11 negotiations. No further scope really was intended by
12 this agenda item; is that right?

13 EXECUTIVE DIRECTOR OTT: That was my
14 understanding, and that's why my comments were relatively
15 brief.

16 MEMBER GUINASSO: And so ultimately, if we do
17 set a deadline to get a contract back to approve, that
18 would be a time where we might hear from you as well as
19 the school? Would that be correct?

20 DEPUTY AG OTT: Certainly, the way that item
21 was agendized, it was in the discretion of the Board and
22 the Chair, but I would anticipate if we have a contract
23 that both -- that I would be recommending for approval,
24 then it would make sense to have the school there as
25 well. And if we're unable to reach a contract that we

1 can recommend for approval, I think it would make sense
2 to have the school there as well. So without impeding on
3 the discretion of the Board, I think it would make sense
4 to have the school participate in that conversation.

5 MEMBER GUINASSO: Mr. Chair, given the
6 notation about the history of these negotiations, would
7 it be reasonable to impose a deadline so at the next
8 meeting, we would actually have a contract to approve?

9 CHAIR JOHNSON: Absolutely. So my thought --
10 I was going to ask the question before you were talking.
11 Actually, what is the actual date of our September
12 meeting? Is it the 24th? 23rd? And so at present, it's
13 been proposed that they actually have a redline to you
14 only five days before that. So actually, that's not
15 actually going to be fast enough, at least I don't
16 imagine it will be fast enough for you to internalize
17 that information and then go back with Aspire, which has
18 been taken at this point once.

19 So I would like to see if we could have that
20 actual contract done by the 19th, and so which would mean
21 that you need to work back to get back to Connections and
22 say, "Hey, look. This is what needs to happen, and we
23 need to have a contract in place by the 19th." So if I
24 could have your negotiations done far in front of your
25 meeting, we can analyze information as we need to, and

1 then we can have a robust discussion at our meeting on
2 the 23rd. So contract complete by the 19th, not a
3 redline to you by the 19th. So that's three weeks from
4 Monday.

5 MEMBER GUINASSO: Consistent with that, I
6 would move to have the contract negotiations completed by
7 September 19th.

8 CHAIR JOHNSON: Do I have a second?

9 VICE-PRESIDENT MACKEDON: Member Mackedon.
10 I'll second.

11 CHAIR JOHNSON: All in favor of directing
12 deputy attorney staff to actually have a contract
13 completed by the 19th of September, which means we can
14 have a robust discussion on the 23rd, all in favor?

15 THE BOARD: Aye.

16 MS. GRANIER: Mr. Chair?

17 CHAIR JOHNSON: Yes, Ms. Granier?

18 MS. GRANIER: Thank you, Mr. Chair. Since
19 the Board is taking action and not just getting an
20 update, I would ask for the opportunity to comment,
21 please. It will be brief, but it is relevant to the
22 motion you are voting on.

23 CHAIR JOHNSON: Well, we've already taken
24 action. But actually, I would like for you and Mr. Ott
25 to continue that conversation, as we're going to move on

1 to the next agenda item, Ms. Granier.

2 MS. GRANIER: And I'd just like for the
3 record to say that that would be an okay timeframe if all
4 we were discussing were benchmarks and contracting over
5 benchmarks, but what has been sent to the school is an
6 entire rewrite of their charter that governs the entire
7 operations of the school. So that is an extremely
8 abbreviated period of time to try to work through that
9 and complete that by the 19th.

10 CHAIR JOHNSON: And I appreciate that, but I
11 think that you've had several opportunities to work
12 through this, and so I think the three weeks will be
13 enough time for you to decide to put the resources
14 necessary towards finding a way to come to an agreement
15 by the 19th. So thank you.

16 MEMBER GUINASSO: Or alternatively, as you
17 mentioned, if there is no agreement for one reason or
18 another, to have the discussion as to why there's no
19 agreement and to hear Mr. Ott's recommendations related
20 thereto.

21 CHAIR JOHNSON: All right. Thank you. We
22 will move on to Agenda Item No. 8, which is update,
23 discussion, and possible action regarding the status of
24 Beacon Academy charter contract incorporating the terms
25 of the proposed improvement plan. So Deputy Attorney

1 Greg Ott again.

2 DEPUTY AG OTT: Thank you, Mr. Chair. Deputy
3 Attorney General Greg Ott. And as with the last item,
4 this language that I'm presenting in an effort to be
5 transparent was sent to the school in advance so that
6 they're aware of my comments except for the last portion
7 which is based on conversations I had with counsel this
8 morning, and I'll let you know when that comes up.

9 So with regard to Beacon Academy,
10 representatives from the school expressed surprise that
11 the SPCSA Board action included a provision that judicial
12 review of any decision to reconstitute the governing body
13 or install a receiver would be limited to whether the
14 school met the agreed benchmark. The school indicated
15 initial opposition to that limitation but otherwise
16 agreed that the proposed contract language was in
17 accordance with the motion and would likely be
18 acceptable.

19 As counsel for the school did not attend the
20 July 29 meeting and we did not discuss the matter prior
21 to that meeting, the school requested additional time to
22 respond to the draft. I informed the school that in the
23 event that a contract was not agreed to, the matter would
24 be brought back to the SPSCA Board. A draft contract was
25 submitted to the school on 8-9, and this is the portion

1 that reflects my conversations with counsel this morning.

2 This morning, counsel for the school informed
3 me that conditioning the benchmark approval on any
4 agreement of the school's part to any limitation of any
5 rights that they may have would be unacceptable.

6 CHAIR JOHNSON: Sounds like we're in the same
7 position as we were on Agenda Item 9 where we have to go
8 back to you to finish the negotiations so we can actually
9 move forward with any decisions that need to be made?
10 Mr. Ott?

11 DEPUTY AG OTT: Yes. We only had an
12 abbreviated conversation this morning about whether the
13 conditions were in fact completely unacceptable. Counsel
14 told me that they were. I always like to make sure that
15 you have time to negotiate things. I don't know if
16 there's any flexibility on the school side to agree to
17 any sort of a limitation on judicial review in accordance
18 with the motion that the Board made, but certainly, that
19 would be something that could be explored between now and
20 the next meeting.

21 CHAIR JOHNSON: I think we could go in the
22 same direction in having a deadline or a date by which we
23 would like to have contracts, negotiations complete so we
24 can actually begin to take action here as a body as
25 opposed to kind of spinning our wheels and being in the

1 same spot. So again, unless there's an issue with you, I
2 think the exact same date would be reasonable?

3 DEPUTY AG OTT: That date would be
4 reasonable. I would note that the area of the
5 disagreement on this one is much narrower. As counsel
6 for Connections stated, they do have a transition from a
7 written charter to a charter contract which involves many
8 more issues.

9 With Beacon Academy, there really is just the
10 one phrase in there. So I think the 19th is more than
11 enough time to get it done. I think that we will know
12 very quickly whether or not we could have agreement. I
13 think we could have it by the 12th or even earlier if the
14 school wanted to set a more aggressive -- or if the Board
15 wanted to set a more aggressive deadline.

16 CHAIR JOHNSON: It seems that things always
17 seem to snowball here. So why don't we set the 19th, and
18 you can overdeliver and underpromise here. So why don't
19 we do that. So the 19th will be the date that we still
20 stay with, and I'll be very pleased if you came back
21 early next week and had this completed, but I will take
22 it on the 19th. That's when your homework is due. All
23 right. Is there any other discussion on Agenda Item No.
24 8? Member Guinasso?

25 MEMBER GUINASSO: Should we take a motion?

1 I'll make a motion to have the negotiations with Beacon
2 Academy completed by September 19th.

3 CHAIR JOHNSON: Do I have a second?

4 MEMBER CORBETT: So moved.

5 CHAIR JOHNSON: All in favor?

6 THE BOARD: Aye.

7 THE COURT REPORTER: Who was that?

8 CHAIR JOHNSON: The second was done by Member
9 Corbett, for the court reporter. All right. We will
10 move on to Agenda Item No. 6: Discussion and possible
11 action regarding Nevada Virtual Academy Performance
12 Improvement Plan. Director Gavin?

13 EXECUTIVE DIRECTOR GAVIN: Thank you,
14 Mr. Chairman. You have in your packet an overview of
15 basically the background on sort of why we're here, the
16 concerns that were raised by staff and discussed by the
17 Board beginning very early this year, and some of the
18 statutory background and backgrounds in federal and
19 federal process as well and federal law with the old ESSA
20 waiver, among other things or ESC waiver, my apologies.

21 This is a school that has had some -- that
22 recognizes a need to improve academically and has
23 authored an improvement plan that they believe will get
24 them to where they need to be. We have continued to have
25 very thoughtful conversations with the school with regard

1 to goals. I will note that this is a more complex set of
2 issues than is the case with Connections and Beacon.
3 Connections and Beacon both have -- both are performing
4 at a higher level academically than this particular
5 school is, although I will note that this school has a
6 significantly higher graduation rate and has shown more
7 improvement in that area. So that is to say, where is
8 the issue with Connections and Beacon right now is their
9 graduation rates are far too low, and they need to
10 improve, which is a metric that they're performance
11 managing towards.

12 With the case of Nevada Virtual, they have
13 looked at both significant programmatic changes, some of
14 which have already been approved by this body and others
15 which they've worked through in their sig plan and
16 whatever else, but those are more complex. How we
17 measure student performance, particularly in a situation
18 where we will not have -- we've had a huge delay even
19 this year in getting our ASPAC data. We don't know what
20 the State performance framework will look like between
21 now and possibly as late as 2019 with between the -- with
22 between getting federal approval and whatever else. So
23 we need to be in a position where we're actually setting
24 some really thoughtful benchmarks and targets based on
25 the assessments we do have that we know are stable. So

1 in our case, certainly ACT Aspire is one of those, and
2 the school has offered some potential goals related to
3 that, and the school has also meant because they are
4 implementing, as part of the Read by 3 Initiative, which
5 is a statewide thing that the State Board has mandated,
6 they are implementing mapping grades K through 3.
7 They've made some initial attempts at goals and for that.

8 I will say I've had multiple conversations
9 with Mr. Dos Santos, the school leader, over the last few
10 weeks regarding these goals, and they've made significant
11 progress in being willing to put things down on paper.
12 We're not there yet, and I don't think that's a result of
13 a lack of effort on the school's part. This is a harder
14 thing to do in terms of figuring out how we define what's
15 measured and what it means than something that is already
16 set forth in statute and regulation and federally
17 required like the cohort graduation rate. So the lack of
18 a final set of numbers here is something that I think is
19 a result of just a more complex issue. And so I hope
20 that that characterization is consistent with what the
21 school believes.

22 I would ask that we be given additional time
23 to do this, and I certainly think if you wish to set a
24 deadline for when you want to see those goals done that
25 that would be eminently reasonable. And if that means

1 the school needs to tweak its board calendar and have a
2 special meeting to make sure it gets to what it needs to
3 do, I anticipate that they'll be willing to do that
4 because I think they want to get this nailed down and
5 resolved as well. If I'm mischaracterizing anything on
6 behalf of the school, I certainly invite Mr. -- oh my
7 God, Rich, I totally forget your last name.

8 MR. GORDON: Gordon.

9 EXECUTIVE DIRECTOR GAVIN: God, no. Thank
10 you.

11 CHAIR JOHNSON: Member Conaboy?

12 MEMBER CONABOY: Chair, I just need to recuse
13 myself from this conversation since I represent K12 Inc.,
14 the EMO for Nevada Virtual, so I will not participate in
15 this conversation or any vote that may be taken.

16 CHAIR JOHNSON: Thank you.

17 EXECUTIVE DIRECTOR GAVIN: So I would like to
18 turn it over to the school, but really my recommendation
19 is allow us to continue negotiations, and I think since
20 you've been setting deadlines, I think that's reasonable
21 here, too. But again, I'll --

22 MR. GORDON: Chair Johnson and Members of the
23 Authority Board, my name is Richard Gordon, and I am the
24 vice-president of the governing board for Nevada Virtual
25 Academy. And with me today is Orlando Dos Santos, who is

1 our head of school for Nevada Virtual Academy, as well as
2 Karen Hendricks from the firm of Greenberg Traurig, board
3 Nevada Virtual Academy counsel. Some of the agenda
4 items, as you know, have involved and I know Karen has
5 been involved in negotiations with Mr. Ott. So to the
6 extent that there are any contractual issues and items
7 that may require her assistance, she's here to chime in.

8 Before I -- the substance of what we hope to
9 do today is really to give you a bit of a summary
10 presentation of the steps and the progress that the
11 school has made since its last charter renewal in 2013,
12 but before I turn the microphone over to Mr. Dos Santos,
13 I just want to take a moment to thank the Authority Board
14 for giving us this opportunity to share with you a great
15 deal of the progress that the school has made in these
16 last three years and chat with you a bit about the steps
17 forward for the school.

18 As noted in I know the materials that you all
19 were provided, and particularly in the executive summary
20 from Mr. Gavin to you, it's noted that what is captured
21 is sort of a frozen picture in time since there really
22 has not been new data for evaluations since the 2013-14
23 year. But in that timeframe, the school has made
24 significant efforts, and by no means has the school been
25 frozen in time. We've taken several steps, many of the

1 steps you are all very well aware of, but we'll take this
2 opportunity today to tell you a little bit about those
3 steps and the progress that's been made, steps that I
4 know on behalf of the Nevada Virtual Board we're very
5 proud of and we're just now starting to evaluate and
6 digest the fruit of some of those new initiatives
7 specifically -- and you'll hear more detail from Mr. Dos
8 Santos, but specifically, the school, as this Board
9 knows, in the summer of 2015, we came to you pertaining
10 to a blended learning initiative. And we've now
11 completed that first year of blended learning and the
12 blended learning pathway, and it's been, from preliminary
13 analysis, a very fruitful experience for the school.

14 We, as a governing board, have taken steps to
15 enhance the wraparound support we have for our families
16 through the FAST program. I'm particularly proud of the
17 partnerships that Nevada Virtual has been able to forge
18 with several of our schools of higher learning,
19 particularly the Jump Start program we're in partnership
20 with Western Nevada College, and it's been a very
21 successful program. And as Mr. Gavin has previously
22 mentioned, we've been the recipient of several grants
23 that are supporting some of these steps forward for us
24 and that have certainly enhanced, I think, our STEM
25 program, and we're very proud of that as a school.

1 And finally, I do also just want to thank
2 Director Gavin and Mr. Ott. I know in the last four or
3 five months, we've had a lot of communications, a lot of
4 negotiations and discussions. And frankly, better, I
5 think, discussions and a more collegial negotiation than
6 we've ever had before. And so I thank the Board for
7 helping to make that possible and for Mr. Gavin and
8 Mr. Ott. I know the time commitment that it is for all
9 of you, but we appreciate the process. And with that, I
10 will turn the microphone over to Mr. Dos Santos.

11 MR. DOS SANTOS: Thank you, Chair Johnson,
12 Members of the Board. And just before I get going here,
13 I do want to echo Director Gavin's statement or
14 interpretation of the discussion we've had over the last
15 several weeks. They have been very productive, very
16 fruitful, you know, good conversation about what metrics
17 we need to be looking at going forward. So I absolutely
18 agree with what he said there.

19 So certainly very pleased for the opportunity
20 to show you what we've done since 2013. And just to give
21 some of the new board members a little bit of context,
22 2013 is when our charter was renewed the last time, and
23 so that's why 2013 is kind of the beginning date for a
24 lot of data that I'll show you here.

25 MEMBER GORDON: I just want to ask. I don't

1 know if the Board has the PowerPoint. I can turn the
2 screen, if that would be helpful, or if you have it in
3 front of you. I don't know. So okay. I'll turn the
4 screen.

5 MR. DOS SANTOS: All right. Orlando Dos
6 Santos, for the record. So just as a general sort of
7 snapshot of who we are, definitely our school is
8 committed to promoting college and career readiness for
9 all of our students and just a general commitment to
10 getting better, everybody from top to bottom, bottom to
11 top, committing to being better at what we do to serve
12 the students at our program. And it could be from
13 instruction, engagement, professional learning,
14 commitment to teacher professional learning, which I'll
15 talk about in a little bit as well.

16 So again, some of the things that we've done
17 since 2013 to show some of the improvement that I'll show
18 you here in just a second, first of which is our Pathways
19 program that Mr. Gordon alluded to. I think that the
20 adage is that you can't please everybody, but I think
21 that our job as educators is to try. And so the Pathways
22 is sort of borne out of that notion that students come to
23 us with varying degrees of skill and deficiency on the
24 other end, and so we need to do a better job of being
25 proactive and meeting the students where they are and

1 tailoring the program that we have to them so that we can
2 get the most out of them, and that's kind of where the
3 Pathways have come from, and I'll explain that in a
4 little more detail in a second.

5 Part of that is our increased commitment to
6 student and family engagement as well, and Mr. Gordon
7 referred to the FAST program. And again, this is sort of
8 a introduction to the item that I'll go through in a
9 little more detail in a second, but our FAST program, by
10 way of introduction, is just the stat student wraparound
11 services that we provide all of the students and families
12 that enroll with us. And it's our way of sort of meeting
13 them on the front end and making sure we get that support
14 with them right off the bat and not necessarily wait for
15 them to fall through a crack or, you know, need a safety
16 net. It's something that we've taken great care in
17 trying to provide initially.

18 Credit recovery and remediation. Again, you
19 know, sort of analyzing where students are when they come
20 to us. We certainly made the very easy determination
21 that a lot of students, particularly in high school, come
22 to us credit deficient, and so providing a solution to
23 that from the get-go is a way to get them caught up.
24 Having students just pass their six classes in a year
25 isn't getting them any closer to making up the credits

1 that they needed, and so developing a credit recovery
2 program and a remedial pathway for students who need
3 additional support for state testing and some other
4 general sort of credit accrual type activities, that's
5 been a real lever for change for us as well as our
6 heightened dual credit and ACT exposure, and I'll talk
7 about that in a little more detail later as when well,
8 but ACT is certainly something that's come up in the news
9 recently as being an issue where the graduation rates for
10 students in the state are going up, but the ACT readiness
11 is going down, and it's a strange pattern. And I think
12 that we have gotten ahead of that curve a little bit in
13 terms of our ACT prep over the last couple of years. I
14 think we -- well, I don't think. I know. We absolutely
15 recognize the importance of ACT and what that means for
16 students at the next level, you know, being able to get
17 out of the remedial courses that they'll have to take in
18 college if they don't get the right score, and so we've
19 been proactive in that regard as well. So a snapshot of
20 our graduation rate growth over the last several years,
21 you know, certainly, very proud of the upward trend that
22 you see there.

23 And as I'll show you a little bit later,
24 we're trending -- our 2016 cohort grad rate, we believe,
25 will be higher than 63.6 that it was last year. So

1 definitely going in the right direction, we feel there.

2 And again, just another sort of grad rate
3 metric. Looking at some of the schools across the state
4 that are very similar to us in demographics, you know,
5 we're kind of right in the mix there in terms of what the
6 grad rate was last year based on other schools, Clark
7 County, other state charters that have our similar
8 demographics.

9 This might be my favorite slide to show you,
10 going back to ACT here. I think that you can see here
11 the blue is our last year's 11th graders. The orange is
12 this year's, or sorry, 2016, 11th graders or no. Grads
13 of 2016, grads of 2017 is the orange and the state
14 average for ACT. So we outperformed the state in
15 English, reading, science, and the ACT composite score,
16 so definitely very proud of that and have closed the gap
17 in math. So we're certainly making growth there in
18 what's pretty widely recognized as a pretty legitimate
19 measure. So we're certainly proud of that data there.

20 A few other items that are also measured in
21 the old performance framework that certainly we wanted to
22 bring to your attention is the ninth grade credit
23 sufficiency rate. So that has gone up quite a bit,
24 nearly doubled since 2013, so we've certainly taken
25 better care of the students in ninth grade over the years

1 and making sure that they -- once they -- if they're
2 going to start with us in ninth grade, we're ensuring
3 that they are on the right track going forward. And then
4 the last two data points there just kind of talk about
5 where we are with our sort of upper-end offerings for
6 students who need to be challenged a little bit more. So
7 we've made some great strides in that as well. Jump
8 Start, another piece of data that that I'll show you a
9 little bit later, it kind of contributes to that.

10 So Mr. Gordon talked about the sort of the
11 frozen data a little bit, and this captures a little bit
12 of what happened during the frozen time.

13 So HSPE, as you all know, has now gone away,
14 but from the last time before we got the renewal in 2013
15 through last year as a group of seniors who were the last
16 group to finish or to have to pass the HSPE, you can see
17 there that we've made growth in all areas over that span.

18 As far as our middle school goes, the last
19 time that the NSPF was not frozen, our middle school was
20 the 11th highest growing school from 2013 to 2014 in
21 terms of its score, and I'll note that all of those
22 schools above us on the list have a significantly smaller
23 in size than our middle school did. So that, I think, is
24 quite impressive as well. So our pathways then. If we
25 sort of turn to the --

1 EXECUTIVE DIRECTOR GAVIN: Mr. Dos Santos,
2 can you just clarify? Back up one slide for a second.
3 So can you clarify what the status -- so just can you
4 explain the difference for the record what the difference
5 would be between growth and status and then touch on what
6 the status is? Because you're putting yourself up there
7 with Coral, which Coral Middle School, which is by most
8 metrics, the highest-performing middle school in Southern
9 Nevada. So I don't wish to in any way diminish the
10 accomplishment, but I just want to make it clear in the
11 context of sort of growth versus status of where you were
12 relative to your peers on the other side if you can.

13 MR. DOS SANTOS: Sure. So basically, it's --
14 we grew the 11th most in the state from our 2013 score to
15 our 2014 score. So this is a growth measure, not a
16 status measure.

17 EXECUTIVE DIRECTOR GAVIN: But what was the
18 status relative to other folks? Or do you have just a
19 ballpark?

20 MR. DOS SANTOS: From two to three star? Is
21 that what you're --

22 EXECUTIVE DIRECTOR GAVIN: Yeah, or just the
23 overall, yeah.

24 MR. DOS SANTOS: Yeah. So the middle school,
25 the last time that the framework came out was a

1 three-star school. Yeah. So moving from a two star to a
2 three star.

3 So kind of turning the camera slightly more
4 forward in terms of last year's data and what we did last
5 year, the largest change would be our Pathways program.
6 So the Pathways -- the blended instruction is a piece of
7 the Pathways. And so again, that's that sort of
8 individualized program that we try to provide students,
9 depending on where they're at and what they need, and to
10 remind the Board, that program was approved last summer
11 for us to go ahead and do that, and the blended
12 instruction was approved for Clark County. So the
13 instruction -- the blended instructions are placed in
14 Clark County tutoring and other areas of the state.

15 So again, this idea was kind of borne out of
16 the sort of unofficial research that sort of conducted
17 over the last several years of what families want when
18 they come to us. And so we have an element of families
19 who want that virtual experience, students who want the
20 virtual experience, some who need a blended experience,
21 and some who want a blended experience, and then others
22 who want a more independent, self-paced style. And so
23 that's kind of where the notion of these differentiated
24 pathways came from.

25 CHAIR JOHNSON: Mr. Dos Santos, just a quick

1 question. So is there a way for you all to determine
2 what might -- I know we want to kind of work with
3 families to determine what might be best for a student
4 given where they are as they come to you. So you said
5 parents or families prefer one or three. But as the
6 school, would you then, when they come to school, kind of
7 help evaluate and guide?

8 MR. DOS SANTOS: We do absolutely, and that's
9 what this slide sort of addresses here in those smaller
10 bullets at the bottom. We basically conduct our
11 orientation and our conference between the counselor and
12 the families and look at a number of factors to see where
13 we think -- what pathway we think the student should be
14 in.

15 At all points here, it's a collaboration with
16 the family and the school staff. Some of the items we'll
17 look at would be state assessment scores, our initial
18 school diagnostics, so the pathways are fluid. So just
19 because you start in one pathway doesn't mean you stay
20 there. So if you start in a remedial pathway, for lack
21 of a better phrase, you can test out and move to a more
22 virtual pathway and vice versa. If the bottom drops off,
23 then maybe you slide into a more blended one. So there
24 are a number of items that we look at, and family
25 preference is certainly a large piece of it, but I don't

1 know that we're doing our job if we aren't giving a
2 recommendation based on the data that we have where we
3 think a family or a student is really better suited to
4 meet their needs.

5 So quick snapshot of the K through 8
6 pathways. So blended, virtual, and independent. I've
7 kind of sort of explained what those mean. The sort of
8 the nuances of those, the virtual paths has some specific
9 requirements, virtual requirement, so students will
10 attend their math class at 8:00 o'clock, for example,
11 English class at 9:00, for example.

12 The blended piece, students have that virtual
13 requirement plus an additional blended, so based on their
14 level of need, they might come to our site four hours a
15 week at either a morning or an afternoon, and we sort of
16 base -- we sort of schedule that based on all of the
17 students who need algebra help, for example, might come
18 on a Wednesday morning. Geometry help might be Thursday
19 afternoon. Third grade meeting might be Monday morning,
20 something like that. We sort of schedule it out that
21 way.

22 And then our independent students and
23 families who want a little bit more of a self-paced
24 style, this is generally reserved for the families who
25 have demonstrated that they can succeed and excel in this

1 format, but not limited to.

2 CHAIR JOHNSON: Do you have any broken out
3 sub data about the achievement of the students in each of
4 the pathways? You do?

5 MR. DOS SANTOS: Yes, it's coming.

6 CHAIR JOHNSON: Oh. Sorry for asking
7 questions before things are happening. I apologize.

8 MR. DOS SANTOS: That's okay. So here's a
9 snapshot of our high school pathways. Slightly
10 different. So we've got our ACT pathway, which is the
11 NCRC, National Career Readiness Program. That was the
12 smallest of our pathways. That's sort of a college and
13 career readiness partnership that we have with ACT. They
14 helped us create a curriculum based off the ACT WorkKeys
15 Assessment, and so we use their key training assessment
16 to develop a curriculum that these students participate
17 in, and then they take the NCRC or the WorkKeys
18 assessments.

19 Our readiness is our pathway for students
20 that need some sort of support in English, math, or
21 science. That's the blended piece or a blended piece.
22 Our Jump Start program is also a blended piece. Those
23 are -- we have 19 students who are participating in the
24 Western Nevada College jump start program. Nineteen last
25 year -- 18 last year and 19 this year, so we're on our

1 second cohort there. Those students come on campus four
2 half days a week for their instruction in one of those
3 courses. The rest they take online. Our advanced dual
4 credit are students who take courses either at UNR, UNLV,
5 Great Basin or CSN. We've had students at UNR as well,
6 but not this past semester. And so those students either
7 go to those campuses or they take virtual courses. And
8 then virtual students still make up the majority of our
9 school population. That's sort of the, you know, the
10 more "traditional" probably is not the right word, but
11 the more -- I'll use it -- "traditional" distance ed
12 student is still there.

13 VICE-PRESIDENT MACKEDON: I have just a quick
14 question about the Jump Start. So the kids you have in
15 Jump Start, they're not taking online classes offered by
16 the schools? They're actually going onto campus?

17 MR. DOS SANTOS: They are. They take their
18 electives with us. They take their cores with Western
19 Nevada.

20 VICE-PRESIDENT MACKEDON: Online, or not
21 online, but like at the actual campus?

22 MR. DOS SANTOS: Mostly online. They take
23 their like the lab version of the classes, that's
24 face-to-face with a Western Nevada teacher's assistant
25 on-site.

1 MEMBER GUINASSO: Mr. Chair?

2 CHAIR JOHNSON: Member Guinasso?

3 MEMBER GUINASSO: I'm not familiar with
4 virtual education. Do you profile the students and their
5 families before you put them on a pathway, or do they
6 direct which pathway they go on?

7 MR. DOS SANTOS: I'm not sure what you mean
8 by profile.

9 MEMBER GUINASSO: Just do an assessment, I
10 guess.

11 MR. DOS SANTOS: Well, no. I mean, we go
12 over the data with the families with, you know, the
13 previous test scores, report cards and then sort of have
14 that conversation live. It's sort of not predetermined
15 necessarily before they come in if you have, you know, if
16 the transcript looks like this or if the test score looks
17 like this it automatically goes this way. It's not that
18 way.

19 MEMBER GUINASSO: Thank you.

20 EXECUTIVE DIRECTOR GAVIN: So to be clear
21 then, the school does not prescribe the interventions.
22 They're done by essentially mutual consent between the
23 school and the family; correct?

24 MR. DOS SANTOS: Well, the family ultimately
25 has to agree with the recommendation. So, I mean, it's

1 collaborative from start to finish. I mean, generally,
2 we've found that when you say your son is deficient in
3 math and we want to give him more math help, generally,
4 they don't say no.

5 Okay. So data from last year. So here's
6 sort of the distribution in terms of where our families
7 -- where our students lie in terms of pathways. So the
8 blended pathway includes the Jump Start because they come
9 on-site. So that makes up 30 percent of our population.
10 70 percent are still in the more virtual format. So I
11 think, Chair Johnson, this might answer your question or
12 begin to answer your question as I move through the next
13 few slides.

14 So our assessment we used last year for K
15 through 3 was STAR, which was approved, is no longer
16 approved. We're now moving to MAP, which Director Gavin
17 and I discussed. But based on last year's STAR
18 assessment, kind of broke it down here by pathway and
19 then by growth. So you can see there that every student
20 grew or the average score of our students grew regardless
21 of pathway, but the blended pathway students grew the
22 most there, which I think you might expect based on the
23 fact that they are deficient in some skill, which is why
24 they're in a blended pathway to begin with. But again,
25 the largest growth by far there. And so here's the STAR

1 math growth. The last leg you saw was English. This is
2 math. So again, the same pattern where we've got growth
3 in every area. The highest growth in the blended group,
4 K through 3.

5 iReady is the assessment that we used for
6 middle school. And again, the same pattern holds true.
7 Growth in every area from beginning to end, and the
8 highest growth in the blended group. So high school pass
9 rate again, so that was sort of our K-8 analysis in terms
10 of the high school. Now I know pass rate is not the be
11 all end all, but it does contribute to credit accrual,
12 which contributes to graduation rate. And so we felt it
13 was absolutely worth mentioning that -- so the pass rate
14 from '14-'15 school year has gone up in the '15-'16. So
15 about 7 percent increase there. And then the pass rate,
16 virtual versus blended, is there as well. The blended
17 pass rate obviously lower because again, you've got the
18 students there who have traditionally not achieved in
19 school. And so we've kind of got that. I mean, they're
20 the lowest for a reason. That data is the lowest for a
21 reason. But again, I would contend that without the
22 blended support that we offered these students that that
23 pass rate would be quite a bit lower than it is or than
24 it was last year.

25 EXECUTIVE DIRECTOR GAVIN: Orlando, I have a

1 question for you on that blended piece. For what
2 percentage of kiddos who are in the blended program do
3 you have previous data from a prior year with your school
4 so you can see here's how they were performing before?
5 Is that inside really small, or like I just don't know.
6 So if you could help us understand.

7 If this is an intervention that's primarily
8 benefitted kids who are new to the school or who are
9 persisting or if this is something that no, this is like
10 you had a cohort of kids who you've had in the school for
11 X amount of time so then you could actually do sort of a
12 before-and-after comparison of the treatment.

13 MR. DOS SANTOS: Certainly with our 11th and
14 12th graders, we do have that data because we were able
15 to determine -- I have haven't got it here, but over the
16 last couple of years, we've averaged about 60 to 65
17 percent of our graduates may not have graduated without
18 this intervention, you know, whether they took a piece of
19 our credit recovery program, they came to blended for
20 support for HSPE, so a large percentage of our graduates
21 over the last two years graduated because of this blended
22 intervention. I can tell you that.

23 As far as the younger grades, I mean, I get
24 that, but I necessarily don't have that here. But
25 anecdotally, I would say that we've helped a lot of kids

1 this way. So again, a larger sort of blown-out version
2 of grad rate. We sort of anticipate our grad rate for
3 class of 2016 to be in the 65 percent range. Again, the
4 bighorn list isn't out yet so again, that would be the
5 official list from the State of which students count as
6 the class of 2016. We don't have that yet. But based on
7 our internal counting, we think we're going to be in that
8 65 to 67 percent range for grad rate for class of 2016.
9 So again, continued uptick there.

10 So from our ACT pathway, we've got -- we had
11 15 -- 16 students in that group, and these are their sort
12 of ACT WorkKeys results. Over half -- well, yeah, just
13 slightly over half tested gold, which was great. Some
14 improvement there from the start of the year. And I
15 think, you know, based on my observation of what some of
16 our other kind of sister schools do, specifically Nevada
17 State High School where we're kind of inspired to move on
18 to expand our ACT WorkKeys offering and have all of our
19 11th and 12th graders participate in this in some way,
20 and so that's kind of a jump to where we're going to be
21 next year by having more students participate in this.

22 Our Jump Start results are here as well. So
23 again, we had 19 students this year in Jump Start. We've
24 got 18 starting already now for our second cohort of Jump
25 Start. And of all of the 15 schools participating in the

1 Jump start program, Nevada Virtual students were fourth
2 best in terms of achievement, pass rate, course
3 completion for those college courses. And you can see
4 the Western Nevada College average for college students
5 taking the same courses that our 11th graders took. So
6 we're certainly very proud of that group and the
7 partnership that we've developed with Western Nevada
8 College.

9 So in terms of expanded view of dual credit,
10 so we had 40 students participating in dual credit in
11 some way, shape or form. That includes the 19 Jump Start
12 last year. Four NSHE schools that we had a partnership
13 before, and I mentioned those before -- Western Nevada,
14 Great Basin, UNLV, CSN, all 40 students in those four
15 schools.

16 And, you know, the next -- that last piece
17 there I think was probably the most profound experience
18 I've had in education in almost 20 years. Being in those
19 meetings with the dean of Western Nevada and families to
20 when they sort of pass their admissions into the school
21 to let them know that we were providing this kind of
22 boost for students that may not have attended college
23 otherwise for financial reasons in particular, but to be
24 able to help students in that way and to see the look on
25 the mom's face really, mom and dad's face more so than

1 the student of this opportunity we were providing was
2 just the most fulfilling experience I think I've had in
3 education. So really, really proud of that partnership
4 and what we've been able to do with Western Nevada to
5 help students in Nevada Virtual.

6 Okay. So new for next year and that sort of
7 continued renewal, continued commitment to wraparound
8 services. This is what our FAST program is all about,
9 our Family Academic Support Team. We have a 13-person
10 team assigned to support students that need it, whether
11 it's academic, whether it's social/emotional, whether
12 it's providing community resources, you know, getting
13 them to places in the community that can help them, just
14 generally getting them through some of the issues that
15 have been roadblocks for them in their previous
16 experience, so that's what this FASTeam is all about and
17 some of the roles that are played on the FASTeam.

18 We've got our family resource coordinator,
19 which is kind of social worker, our family academic
20 support liaisons. We have six of those that are sort of
21 assigned to school and different grade levels, so if we
22 had a fifth grade student that needed support in an area,
23 then we've got one person that is attached to K-5 that
24 they would go to and sort of spearhead that process.

25 Our compliance liaison is kind of responsible

1 for the attendance tracking and making sure that the
2 students that we've assigned or that have been assigned
3 to either blended or they're some other level of required
4 attendance virtually that that person helps keep track of
5 that and notifies the FSLs that they need to contact the
6 people and the homeroom teacher, so it's just that point
7 person that can help coordinate our intervention efforts.
8 And then our family education coordinator is another
9 important piece. He's someone who coordinates the family
10 events: our back-to-school events, our reading nights,
11 you know, those kind of efforts.

12 So again, the next step for ACT readiness.
13 So again, I mentioned before the goal here is to make
14 sure that the students that leave us are prepared for
15 college and career, in particular, get out of that
16 remedial option, meaning math and English at the next
17 level, and we want to give value to ACT. And this is a
18 partnership, this program here, this initiative is a
19 partnership that we've developed with Western, or sorry,
20 Nevada State College that they've given us some
21 resources, EdReady in particular, that we've sort of
22 provided to our 11th graders to help get them ready for
23 the ACT. It's the golden ticket. And I think that we've
24 missed the boat as a state in general by putting value in
25 this.

1 CHAIR JOHNSON: Really quickly, what's the
2 difference between giving value to the ACT and then
3 making it relevant to students?

4 MR. DOS SANTOS: Well, I don't know that
5 students and families understand the true value of ACT.
6 If you score a 22, then you don't --

7 CHAIR JOHNSON: You mean like a monetary
8 value of scoring well on test of just --

9 MR. DOS SANTOS: Well, it's monetary and
10 time. If you have to take a remedial course in college,
11 you have to pay for it. So we can get them out of that
12 option to begin with, then that helps everybody.

13 CHAIR JOHNSON: Thank you.

14 MR. DOS SANTOS: So next steps, and this is
15 the last slide I have for you. Again, Director Gavin
16 mentioned this at the start. We've continued discussion
17 with him on developing cohort-based targets. That was a
18 great conversation we had just a few days ago about how
19 to tweak the goals to be cohort based. I think we're
20 both on the same page in terms of the appropriateness of
21 that, and that's something that we are definitely
22 committed to and working with Director Gavin to do, and
23 particularly to revolve those goals around ACT Aspire.
24 There is certainly no objection on our part to do that.

25 We have four federal grants that Mr. Gordon

1 alluded to at the start as well that we're happy to be a
2 part of to support the growth that I've shown you. We
3 completed our first year blended, and I think of the
4 possibility of looking at expanding that offering. If it
5 worked so well for students in Vegas that first year in
6 Clark County, the opportunity to do that in Washoe at the
7 very least in the near future I think would be something
8 that we'd like to explore as well and just an increased
9 commitment to virtual instruction, to best practices, to
10 getting every member of our organization to be the best
11 that they can be so that we can provide the type of
12 service to the families that they deserve.

13 CHAIR JOHNSON: Any questions for Mr. Dos
14 Santos or the NVA group?

15 MEMBER GUINASSO: Thank you, Mr. Chairman.
16 Member Guinasso. I was reading, Mr. Gavin, your summary,
17 and with regard to targets, you had mentioned in your
18 summary that there was some concerns about the
19 appropriateness, transparency and applicability of some
20 of the proposed assessment tools, but you're still in
21 ongoing discussions? Could you elaborate on that a
22 little bit?

23 EXECUTIVE DIRECTOR GAVIN: Sure. So a couple
24 things. So with regard to -- so let's talk about the --
25 I think there are a couple of concerns that should get

1 encapsulated in that. One of those is certainly agency
2 capacity. We don't have a dedicated assessment team that
3 goes with it, so most of the assessment tools that we
4 have historically used have been ones which are provided
5 by the State, so, ASPAC, etcetera, they go out and do all
6 of the validation certainly with extensive support from
7 Joan Jurgensen doing an enormous amount of validation but
8 then all of that analysis is really done at the state
9 level.

10 We made the investment into ACT Aspire and
11 are working through how to ensure that we can provide the
12 same robust level of analysis for that. Fortunately,
13 it's also a pretty transparent tool that I think most
14 schools have found reporting in it to be really helpful.
15 But when we get into particularly this other tool,
16 iReady, which is probably a perfectly fine assessment
17 tool, but the more we add the sort of an a la carte menu
18 of assessments, it's a heck of a lot more for us to be
19 able to support without the resources or the statutory or
20 sort of financial authority to do so. So that's always a
21 concern.

22 The other piece is just we don't know enough
23 about it like it doesn't really -- whether it really
24 aligns to the Common Core state standards or how much.
25 Every assessment, every curriculum says it aligns to our

1 state standards. Whether it actually does, of course, is
2 a whole other ball game. I think anyone who has worked
3 in our schools can attest that you walk through a vendor
4 fair, and it's the same textbook with a new shiny sticker
5 on it saying, "Now aligns to Nevada academic content
6 standards," but it's the same everyday math book that's
7 been around since 1992 or maybe just a prettier cover or
8 something. So there's that piece. And the same is true
9 with assessments. So I think that there's that piece.

10 There's also just the more stuff we're trying
11 to measure, the more ambiguity there is. We already have
12 a three through eight or a three through ten assessment
13 now that we support Aspire, so I think we want to use
14 that so we are not having the ambiguity with Aspire.

15 (Brief interruption.)

16 EXECUTIVE DIRECTOR GAVIN: This is what
17 happens when I start talking about boring stuff like --
18 AT&T gets tired. Danny, there's no one on that line
19 anyway, right?

20 MR. PELTIER: No. That's why it went dead.

21 EXECUTIVE DIRECTOR GAVIN: Okay. All right.
22 So we'll just assume that there's no one mysteriously
23 listening on the line.

24 So since we have already got one. We don't
25 want to create ambiguity where it's essentially well,

1 this assessment says this, and this one says this. That
2 doesn't help with trying to create really clear measures
3 that we can all agree on. With regard to MAP, it's K
4 through 3. It is mandated now by the State Board of Ed.
5 I think those of us who know Member Mackedon well, and I
6 think she's mentioned this on a couple of occasions in
7 meetings, not her favorite assessment, frankly not my
8 mine either, but it is the one that's out there and
9 supported and there's going to be some ability to
10 leverage to the Department's expertise on that. It's
11 also something that is more of a known quantity to us for
12 other reasons as well. And it has the advantage of not
13 in any way overlapping with Aspire, which is great, so we
14 are not duplicatively testing kids. It has the advantage
15 of being something that is already being used for a
16 high-stakes decision, you know, to eventually inform
17 retention of kiddos. It will inform and as part of the
18 Read by 3 program, so some of my reservations about MAP
19 when it's used by a school district is just in the way
20 that any assessment that's used for internal stuff where
21 there's incentives for kids that could be gained or there
22 are perverse incentives, there's now going to be testing
23 security requirements which are much like what we see
24 with a regular test, so a lot less issue with that.

25 It also has the advantage -- and I think this

1 is particularly important for Nevada Virtual and for all
2 of our schools that have high churn rates of kids, and
3 this is something we do tend to see, for whatever reason,
4 in online environments in particular, that it has a pre
5 -- there's a test in September, there's a midyear test
6 that you can take, and Nevada Virtual has said that
7 they're doing that, and then there is an end-of-the-year
8 test.

9 So what that means is you have a first --
10 you have a baseline, you've got a midpoint, and you've
11 got an endpoint, so you can look at growth over time. It
12 also means that for schools with high churn, there's one
13 more actual snapshot in time with which we can either get
14 an additional baseline for the kiddo who wanders in in
15 November who wasn't tested in September, you can say,
16 "Yep. Okay. Like Jason showed up in November and now
17 we've got this information for him." Or also for the kid
18 who leaves in January and you can say, "Okay. Well,
19 Melissa showed up in September and she left in January
20 because her family's circumstance changed or she didn't
21 like the school or whatever reason," but we now at least
22 have some sense of whether this school had value for
23 Melissa, at least in grades K through 3, given
24 particularly for this school that its biggest -- the
25 biggest threat to its ongoing operation is its elementary

1 performance. It's the area that has been the lowest
2 performing portion component of this school certainly in
3 recent time, and it's the area that I will note was the
4 most grave area of concern for the State Board of
5 Education when I know it initially issued a -- granted a
6 written charter to this school on a number of years --
7 back in 2007, and there were members at the time who
8 expressed serious concern about the impact about whether
9 this was something that would have value for kids in the
10 early elementary grades.

11 So I think having a tool that actually gets
12 at this is really important for the school being able to
13 build a business case for yep, we should keep doing this
14 and we're getting better, or they can then decide no, we
15 shouldn't do elementary. It's not working. Or we can
16 have that conversation with them, "Do you want to not do
17 elementary?" Or we need to have another much more
18 serious accountability conversation.

19 MEMBER GUINASSO: Mr. Gavin, so the two
20 primary tools that we would use for assessing that would
21 be?

22 EXECUTIVE DIRECTOR GAVIN: MAP and ACT
23 Aspire.

24 MEMBER GUINASSO: MAP and ACT Aspire.

25 EXECUTIVE DIRECTOR GAVIN: And there is a

1 potential overlap because we do allow schools -- do you
2 remember last month we said there's flexibility in terms
3 of what grades you do ACT Aspire, and there's essentially
4 a menu of three options? I think this is imminently
5 appropriate for this school to say that -- I believe this
6 is what you guys did and if you didn't, we'll talk about
7 it -- since MAP is mandated by the State Board for K
8 through 3, and one of our options is to not test in third
9 grade because of duplicative testing concerns, that we
10 could say that it doesn't make sense to do both, to do an
11 Aspire in third unless the school wants to.

12 I mean, I recognize they've got the same
13 concerns any parent -- that any parent group has over
14 testing, but that's really about their decision about if
15 they want to do the investment strategy to get and
16 provide for that duplicative testing because it gives
17 them before data and more of a baseline, fine, but that's
18 something we should certainly be flexible on, and Orlando
19 and I've talked about that because we're trying to make
20 this something that gives us actionable information
21 without overly burdening kiddos and families.

22 MEMBER GUINASSO: Let me ask the school how
23 -- what's your thought process on these assessment tools?
24 Are these reasonable assessments tools that we can use as
25 benchmarks for success going forward?

1 MR. DOS SANTOS: The ones that are in the
2 presentation here or --

3 MEMBER GUINASSO: That ones we're discussing
4 now, the --

5 MR. DOS SANTOS: MAP and Aspire?

6 MEMBER GUINASSO: Yeah.

7 MR. DOS SANTOS: I do think so. I think in
8 the absence of any validated state data the last couple
9 of years, we've used what we had at our disposal, and in
10 this case, it was STAR, and it was iReady. There was no
11 other way to measure it. I'd have nothing to show you if
12 we didn't use that. And so we made a decision, and
13 that's the data that we showed you.

14 But certainly going forward, you know, we
15 certainly don't object to Aspire in any way. I mean, the
16 data just came out a few weeks ago, so I think that we've
17 -- and Director Gavin and I talked about this. We just
18 have to figure out a way how are we going to use that
19 Aspire data and sort of figure out the parameters about
20 which students we're capturing in those snapshots. And I
21 think that -- and we're certainly on the same page in
22 terms of how we want to make that determination, so in
23 short, I think that the Aspire and MAP are perfectly fine
24 tools to use.

25 MEMBER GUINASSO: Thank you. Thank you.

1 CHAIR JOHNSON: Any other discussion? The
2 only thing I would love to see is the ACT and graduation
3 rates that you showed, you know, were great and
4 outperformed the state. I would love if moving forward
5 we could also benchmark ourselves against the national
6 average or what college readiness is so 21 on that test
7 or maybe between 21 and 23 -- 22, which is between 21 and
8 23, but I think that's what we want to make sure we are
9 continuing to set our bar so that we know that our
10 students are coming out of our schools ready to achieve,
11 and you talked about the value of it.

12 It's important that we also have that same
13 mindset that we don't want any student -- our goal isn't
14 to have students not be at a 22. It is to be at a
15 22-plus. So if you could just -- as we continue to see
16 data, make sure we're benchmarking against that average,
17 what college readiness is so that we can ensure that
18 we're doing our best part.

19 So I would love to be able to provide
20 Director Gavin and you all additional time to really nail
21 down what these annualized benchmarks would be so that we
22 can really see the progress you want to make, so I'm
23 willing to take a motion just to do that.

24 MEMBER GUINASSO: Yes, Mr. Chair. I'd like
25 to make a motion to accept the update on the school and

1 direct the school and staff to continue negotiations and
2 assessments measures with the goal of establishing annual
3 growth targets for each cohort of students and to explore
4 how to leverage the mass assessment interim and annual
5 data so it would be used to monitor the progress of
6 younger students over time including more transient
7 students.

8 CHAIR JOHNSON: Do I have a second to that
9 very eloquent motion?

10 VICE-PRESIDENT MACKEDON: Member Mackedon.
11 I'll second.

12 CHAIR JOHNSON: All in favor?

13 THE BOARD: Aye.

14 CHAIR JOHNSON: And I'll just make note that
15 Member Conaboy had to abstain from the vote. All right.
16 Thank you. If we could do Agenda Item No. 5 before lunch
17 since they're here, we can talk about the consideration
18 of Nevada Virtual Academy's amendment request to relocate
19 and occupy new facility. Director Gavin?

20 EXECUTIVE DIRECTOR GAVIN: Thank you, Member
21 Johnson. As I alluded to in the previous discussion
22 regarding the relocation of the American Preparatory
23 Academy, this is an item that I was coming before the
24 Board, although the school is currently only occupying
25 the site. So I think that's important to put that on the

1 table, but I think there's some larger context here.

2 This Board approved, so this school did come
3 to us and seek approval initially to pursue the
4 acquisition of the Sandhill facility with the intent
5 certainly of relocating, and staff requested delegated
6 authority at that time to -- and the Board granted
7 delegated authority for the school to do essentially
8 follow-up technical amendments to get them into the
9 occupancy side of things, but we haven't quite gotten
10 where we need to be on a couple of things. And I think
11 that's -- we've all just been working super hard in a lot
12 of areas. And I would guess that Nevada Virtual is
13 spending a fairly significant sum of change on
14 Ms. Hendricks' very expert contributions to the work.
15 And I think really the ball got dropped in terms of
16 dealing with all of these problematic issues in getting
17 us to what has been a really long conversation about
18 goals and everything, but we've made huge progress on a
19 lot of really tough issues.

20 But the school wound up occupying Sandhill, I
21 believe on or about March 7th, that when your grand
22 opening was, if I recall correctly, and had not yet
23 executed the contract. Some of that is on our end. We
24 took far longer to turn around getting an initial draft
25 contract to the school than we had wanted due to the

1 capacity of this agency and at the AG's Office. We have
2 to own that. And I know Ms. Hendricks, at the time they
3 first got that express concern and public comment that it
4 was coming super late, and we've -- there's been back and
5 forth on that; probably not as fast as it should have
6 been, but I think especially in the last several weeks, I
7 think it's been something that she and Mr. Ott have
8 knuckled down on, and I think we're really close on the
9 terms there. So we think this should be granted,
10 contingent upon execution of that contract.

11 I will note that this will be -- that we're
12 going to have two contracts with these guys, two sets of
13 amendments: the one here which will be SB 509 language
14 that was asked for -- that we asked for authority to put
15 in back in Septemberish, I think, I don't recall exactly,
16 of '15, and then this subsequent follow-on amendment
17 which will deal with the goals issue.

18 And I think we want to make sure that both
19 the agency staff and the school are comfortable that this
20 isn't something where there's going to be a Lucy with the
21 football situation where it's like, "Oh, well it says in
22 here that we can do this, so now we're just not going to
23 continue all of the stuff we've been doing in good faith
24 here." But on the flip side, we get to an impasse that
25 we also still have the authority to do. The Board still

1 has the authority to do what it needs to do so there's
2 also not a license to sort of to stop. And I think
3 that's where we want to be. And I think the intent is
4 there from both parties to get that right, and if
5 Mr. Gordon or Ms. Hendricks disagree with that
6 characterization, I would certainly welcome their input
7 on it.

8 MS. HENDRICKS: For the record, Kara
9 Hendricks, Greenberg Traurig here today on behalf of
10 Nevada Virtual Academy. I would like to speak
11 specifically with this agenda item and would echo the
12 comments of Mr. Gavin that we have made some good
13 progress in negotiating the contract.

14 I think a couple of things need to be
15 clarified for the record, so I beg your indulgence for
16 just a few minutes, but Nevada Virtual Academy came
17 before the Authority in July of 2015, and a couple of
18 things were on the agenda. In July of last year, we
19 talked about changing enrollment numbers and talked about
20 implementing our blended learning and got approval from
21 the Authority to go ahead and open a blended learning
22 center. So the blended learning center is the Sandhill
23 location that is referenced in this latest amendment, and
24 the Authority approved that blended learning center.

25 What we had asked to do now is really some

1 mitigation on the part of Nevada Virtual Academy where
2 they're trying to rent out their eastern location. Their
3 mail is still sent there. We don't want the mail to be
4 sent to eastern anymore. We've made improvements at the
5 Sandhill location so that the administrative staff as
6 well will now all be in one location. Everything will be
7 at the Sandhill location. And that's really the crux of
8 the amendment that's before you today, is to change the
9 address and to move our administrators so that everybody
10 is in the blended learning site, which you have already
11 approved. And of course with that, to make sure the i's
12 are dotted and the t's are crossed, we've submitted to
13 the Authority a number of certificates and the building
14 codes and all of those things have taken place in the
15 last several months.

16 And as far as the amendments that we're
17 currently negotiating, that amendment relates to the
18 changes that were approved in July of 2015, and in my
19 discussions with Mr. Ott, we agreed let's put the address
20 issue in there, get that all taken care of. And I think
21 that is the contract we're here to -- we're close to
22 finalizing, and I think we can get that wrapped up.

23 The new issues, as far as performance
24 benchmarks, that's a separate issue. That's something
25 that we haven't started to negotiate. That's not part of

1 this contract, and I don't think that should hold up the
2 contract that we have on the table before us now. The
3 tricky issues -- and I think Mr. Ott and I was able to
4 work through them, our building which has been added
5 pursuant to SB 509 and really some of what is the
6 benchmark as far as data points so that we are all on the
7 same page of when action will be taken.

8 I do -- because the recommendation mentions
9 the Beacon contract, I do feel compelled to address that.
10 I don't think the Beacon contract is what's at issue
11 here. We need to look at Nevada Virtual Academy, we're
12 in a different situation than Beacon is, and it sounds
13 like from discussion earlier today there may still be
14 some issues there, so I don't want to get caught up in
15 that, and I want the record to be clear we're discussing
16 Nevada Virtual contract, and Mr. Ott and I are working on
17 that based on very particularized issues which I've
18 already addressed.

19 MEMBER GUINASSO: Mr. Chairman, can I
20 interrupt really quick on that point?

21 CHAIR JOHNSON: Yeah. Member Guinasso?

22 MEMBER GUINASSO: Because I was confused by
23 that. Why is -- it says, "Language similar to that
24 memorialized in the Beacon contract." What does the
25 Beacon contract have to do --

1 EXECUTIVE DIRECTOR GAVIN: Sure.

2 MEMBER GUINASSO: We don't have language
3 memorialized in the Beacon contract.

4 EXECUTIVE DIRECTOR GAVIN: So I think -- so
5 here's the -- and my -- what I was attempting to get at
6 there, and just what my intent is, is not to just sort of
7 cram someone else's contract down that has different
8 circumstances. The same motion that was at the same
9 time, the same date that Nevada Virtual received its
10 approvals for this set of different amendments was the
11 same day that Beacon also came before the Board to
12 request some amendments as well. Primarily, I think
13 theirs were around the enrollment stuff with the
14 enrollment collar issue.

15 And so when the same -- the motion was made,
16 the approval was made to basically do the same alignment,
17 realignment of the contract with the new statutory
18 provisions to make sure that there was nothing that we
19 weren't sort of leaving old legacy language in there. So
20 that was really the intent there. But that said, yes,
21 Beacon and Nevada Virtual have different situations right
22 now. They've got different performance issues that we're
23 working through, and so the previous -- yes, the current
24 executed contract with Beacon contains language which
25 reflects the SB 509 changes, and I think -- and I would

1 say that Ms. Sanchez did an excellent job of working with
2 Mr. Ott in making sure that the language was really clear
3 about what the Authority could and couldn't do in a way
4 that was consistent with the statute. So I think it's
5 good language that could be helpful versus having to
6 start sort of from scratch. So that's really the intent
7 here, Cara, is not to -- is let's not reinvent the wheel
8 on stuff, and if we can use it, so it's not like, "Hey,
9 you have to do this." It's more, this is a good starting
10 point.

11 MS. HENDRICKS: And I guess from our
12 standpoint, I guess I'm fine with looking at language
13 that another school has used. I just don't want to be
14 bound by that, and I want the ability to negotiate what's
15 best for my client and to get the questions answered that
16 my client needs. So I certainly don't want to recreate
17 the wheel if we don't have to. I think we can use that
18 as guidance. I just don't want there to be any kinds of
19 assumptions or suggestions here that we are bound by what
20 another school did.

21 And I think Mr. Ott and I can work through
22 some of these other issues, and I then have some
23 questions that I've asked him about the language that's
24 been proposed that we can work through. So I don't think
25 it's a big issue, but because it was specifically

1 referenced in here, I wanted to make sure the record was
2 clear that we're at a different school, a different
3 entity, and we're willing to negotiate to protect our
4 interests.

5 MEMBER GUINASSO: Consistent with what we've
6 already decided the last couple other agenda items. I
7 don't think we have any interest in involving ourselves
8 with the negotiations other than to set a deadline, and
9 so I guess what I would want to know is, what is a
10 reasonable deadline for concluding these negotiations?

11 CHAIR JOHNSON: I'll defer to Mr. Ott. He's
12 going to be doing the network.

13 DEPUTY AG OTT: Deputy Attorney General Greg
14 Ott. I would characterize this negotiation as relatively
15 close. I haven't looked in detail at the comments that
16 you sent me yesterday, but I think that we're relatively
17 close. I think that the same timeline would be
18 reasonable, but if Ms. Hendricks disagrees, then let her
19 weigh in as well.

20 MS. HENDRICKS: The only thing I would add is
21 I think we can get some talking points and get a lot
22 closer, but this should not come back to the Nevada
23 Virtual Board, and of course they're going to have to
24 weigh in and vote on it as well. So I want sufficient
25 time to do that. Nevada Virtual Board is meeting next

1 week. They don't have another meeting scheduled until
2 the end of September. I mean, of course this is -- or
3 yeah, the end of September. This is going to be a
4 priority for us.

5 CHAIR JOHNSON: So I think similar to that
6 where we actually had to expedite a timeline, others may
7 have to rearrange meetings they're in. I think for us,
8 we want to make sure we get the contract back in front of
9 us as quickly as possible. So I'm willing to entertain a
10 motion around a date that is similar to other schools.

11 VICE-PRESIDENT MACKEDON: Are we trying to
12 lump in -- do we also want the performance measures
13 lumped into this?

14 EXECUTIVE DIRECTOR GAVIN: No. I would ask
15 that we please not do that. I don't want to put this --
16 I don't want to rush that.

17 VICE-PRESIDENT MACKEDON: That's what I
18 thought. I just want to make sure we're all on the same
19 page.

20 MR. GORDON: And if I could just have a brief
21 moment to comment on the timeframe because I know Mr. Ott
22 and Ms. Hendricks have been working closely and
23 cooperatively in getting redlines. I think a redline, we
24 got Mr. Ott's redline a few days ago, and Cara had a few
25 comments, but I haven't even had an opportunity nor had

1 anyone on the Board even to look at it yet. So we will
2 obviously fairly soon, and we're going to be meeting next
3 week initially, but I just am a little bit concerned
4 because we -- from a board, we haven't even seen sort of
5 the latest redline, and I'd like to have an opportunity
6 to do that.

7 CHAIR JOHNSON: I would certainly hope that
8 information is shared quickly. Again, this process has
9 been dragged out long enough, so I'm willing to
10 entertain.

11 MEMBER GUINASSO: I'd like to make a motion
12 consistent with our other contract negotiations that we
13 have this contract negotiated by September 19th.

14 MEMBER CORBETT: This is Member Corbett, for
15 the record. Second.

16 CHAIR JOHNSON: All in favor?

17 THE BOARD: Aye.

18 CHAIR JOHNSON: I'd note that Member Conaboy
19 had to abstain. Do we also have to make a motion also on
20 the recommendations for the goals part? Is that
21 something separate, a conversation that we don't have to
22 have a motion on right now?

23 EXECUTIVE DIRECTOR GAVIN: I don't believe
24 you need specific direction. I think we just said we
25 wanted more time. If you want to give us a deadline for

1 that, I don't think we talked about that.

2 MEMBER CORBETT: I don't think we had that
3 agendized.

4 CHAIR JOHNSON: Not on No. 5. We will take a
5 break at 12:09. We'll take a 40-minute break, so 12:49,
6 forty-one minutes, so 12:50, we'll be back to resume.

7 (Recess was taken.)

8 CHAIR JOHNSON: We will reconvene the meeting
9 at 12:54 p.m. and start with Agenda Item No. 2, which we
10 managed to skip over which is the approval of the July 29
11 SPCSA Board action minutes or Board meeting action
12 minutes. Any discussion on those minutes?

13 MEMBER CORBETT: Member Corbett, for the
14 record. I'd like to make a motion to accept.

15 EXECUTIVE DIRECTOR GAVIN: I think there was
16 one correction that Member Mackedon had identified
17 regarding this motion that she had made where I think
18 there was the motion and then there was sort of a
19 spontaneous utterance of congratulations to the party,
20 and I don't think her congratulations was intended to be
21 part of the motion. Is that correct?

22 VICE-PRESIDENT MACKEDON: Yeah, and I
23 forwarded or I e-mailed Tanya about just taking that out.
24 It wasn't a substantive change.

25 EXECUTIVE DIRECTOR GAVIN: I just wanted to

1 make sure that that was on the record.

2 VICE-PRESIDENT MACKEDON: Yeah.

3 CHAIR JOHNSON: Member Corbett, motion. Was
4 that you or Member Snow who seconded?

5 MEMBER SNOW: I didn't quite get there, but
6 I'm happy to second it.

7 CHAIR JOHNSON: All right. All in favor?

8 THE BOARD: Aye.

9 CHAIR JOHNSON: All right. Thank you. We
10 will move on to Agenda Item No. 10: Update on agency
11 budget requests. Director Gavin?

12 EXECUTIVE DIRECTOR GAVIN: Thank you,
13 Mr. Chairman. You have -- there are a couple of
14 materials in here that are worth reviewing, I think. The
15 second PDF is the one I would call your attention to
16 first just to provide some context for the level of
17 information you're getting, and that is an electronic
18 message from the agency the state budget analyst assigned
19 to oversee this agency and several others.

20 A couple of things that are worth noting.
21 The first is that budget per statute, budget submissions
22 are confidential until they are submitted to the
23 legislature. So that means that while the agency staff
24 create the budget and we -- or we create the budget
25 request and we submit it through the State's system, we

1 are not at liberty to disclose the contents of that
2 submission in a public meeting nor to my knowledge -- and
3 counsel can correct me if I'm wrong on this -- is there a
4 carveout open meeting law to provide for agencies or for
5 boards or commissions that oversee agencies to go into a
6 closed session to be able to review those items. So that
7 puts the Board at something of a disadvantage. It is an
8 interesting conundrum, I think.

9 My guess is to sort of how this evolves is
10 that most boards and commissions are policy bodies versus
11 operating bodies. Our statute prescribes that this Board
12 does have some operating authority in terms of
13 designating positions and other items in statute, and
14 there's clearly a conflict here. But it puts us all at
15 something of a disadvantage. I would also note that
16 there is also a requirement that the chair of a board or
17 commission sign the budget request as part of this. And
18 Chair Johnson will thus -- will therefore be in the dark
19 as to what we're actually submitting.

20 This is a peculiar situation, and I don't
21 think it's something that was done certainly with malign
22 intent by the legislature, but it is one that puts us at
23 a rather peculiar position right now. So here's what I
24 can share with you.

25 MEMBER CONABOY: Mr. Chairman, may I ask our

1 DAG a question?

2 CHAIR JOHNSON: Member Conaboy?

3 MEMBER CONABOY: Mr. Ott, as the agency DAG,
4 I'm asking you. It says at the top of the second page,
5 "In general, budget submissions are confidential." Does
6 that open the door to ask for an exception if we review
7 the budget like in the closed door session or something
8 like that?

9 DEPUTY AG OTT: Deputy Attorney General Greg
10 Ott. So there's two questions: one, whether they would
11 be confidential, and the other would be whether a closed
12 session would be allowed for something like this. I do
13 not believe closed sessions is allowed for a review of
14 budgets. I don't see anything in open meeting law that
15 allows for that. You could ask Mr. Magaw as well. And I
16 believe the interpretation about it being confidential is
17 something that has come from LCB, is that correct,
18 Patrick?

19 EXECUTIVE DIRECTOR GAVIN: I believe this is
20 actually coming from the executive -- from the head of
21 the executive branch, and so it's the Budget Office and
22 the Governor's Office. So LCB, I think, would love to
23 see this stuff earlier because they -- it gives them more
24 time to prepare their alternative side of this, but it is
25 generally from a constitutional level, and then based on

1 the strictures of the budget act, there is a mechanism by
2 which the Governor has time to craft his budget.

3 MEMBER CONABOY: I know that. I read this.
4 The issue is -- here is it says, "In general." It
5 doesn't say "unilaterally." It says in "general," which
6 to me indicates that there's possible exceptions. So I
7 was just asking if there are exceptions to explore.

8 EXECUTIVE DIRECTOR GAVIN: My interpretation
9 of the word "in general" that that would imply that there
10 are some exceptions. I have not been asked for an
11 official opinion of something of this magnitude. I would
12 probably want to run it through people who are several
13 levels above me before I weighed in with any sort of a
14 formal opinion on that.

15 MEMBER GUISSANO: Mr. Chairman?

16 CHAIR JOHNSON: Yes, Member Guinasso.

17 MEMBER GUINASSO: Yes. Along that same line
18 of questioning, maybe we could get an official opinion is
19 that because if we're dealing with a budget process
20 that's confidential by statute, it would seem to me as it
21 pertains to this body that there would be some latitude
22 given our body to have a closed session to deal with that
23 confidential information. It's mandated to be
24 confidential by statute, but I wouldn't know unless I did
25 the analysis either unless the AG's Office were to

1 provide some cogent analysis on whether the
2 confidentiality of the budgetary process would allow us
3 to meet in closed session over that like it does over
4 other confidential matters like matters dealing with
5 attorney/client privilege and litigation and that sort of
6 thing.

7 DEPUTY AG OTT: Certainly I can work with
8 Patrick if that's your will to get an official request so
9 we have some good language in writing, and I will warn
10 you it's not a quick process to get an official opinion
11 from the Attorney General's Office, but it's something
12 provided for in statute that has at various levels of
13 review.

14 MEMBER GUINASSO: Would you need a formal
15 motion from us or just general direction?

16 EXECUTIVE DIRECTOR GAVIN: I believe as
17 executive head of the agency, I have the authority to be
18 able to do that on your behalf certainly.

19 MEMBER GUINASSO: Thank you.

20 EXECUTIVE DIRECTOR GAVIN: Sorry. Just
21 totally zoned out there. I didn't realize there wasn't
22 going to be another question. So here's what I can share
23 with you. If you look at the second PDF, this contains
24 of a couple of things. One is what is essentially deemed
25 to be a glossary of what these categories that are set

1 forth in the state budget framework look -- actually
2 mean, and then what you see on the second page of this
3 document or I guess it's the third page, my bad. The
4 ones that are presented in landscape format is a
5 breakdown of what the agency's current or what the
6 agency's fiscal year 2016 end-of-year budget was, which
7 is to say we legislatively approved budget of \$9.758
8 million.

9 I would note that the vast majority of that
10 funding comes not from our fee revenue, but instead from
11 the federal programs funds. So only \$2.4 million of that
12 came from charter school fees. The vast majority of this
13 money came from Title 1A, Federal Title 3, Federal Title
14 2A, federal special education funding, the State's Early
15 Childhood Grant, and then a couple -- and then of course
16 the SB504, which is Zoom school funding which is
17 disbursed to LEAs, and then we disburse it to schools on
18 a grant basis. So that is to say, the vast majority of
19 our funds are state or federal funds that we actually
20 draw down on a reimbursement basis.

21 This is one of the reasons why we do maintain
22 a reserve of cash, is that we take the agency fee revenue
23 cash to reimburse schools, and then we go back to the
24 Department of Ed, and they then draw down federal or
25 state money and reimburse us those amounts so that we can

1 be made whole out of our fee revenue. So this is -- we
2 are a large -- we're actually a much larger agency than
3 people recognize based on the overall funding that we
4 deal with and the complexity of it, and this will only
5 increase in the next biennium. This was based on a
6 26,000 student head count. Next this coming year, we
7 were estimated right around 32,000. If we're at 40,000
8 next year, these numbers, especially on the federal
9 program side, will only continue to hockey stick upwards.

10 That vast majority of our funding
11 expenditures as an agency in terms of operations is in
12 this personnel services line, this \$1.093 million. We
13 have very modest amounts of in- and out-of-state travel
14 budgeted. The operations functions are a whole bunch of
15 things that are lumped into that, everything from
16 facilities rent to technology. This number -- Line Item
17 26, information services, that \$308,000 is primarily two
18 contracts, the first of which is Infinite Campus and then
19 the add-on contract which is the Statewide Emergency
20 Management Messaging System that we have purchased for
21 schools to be able to communicate directly with parents
22 both on emergency and non-emergency issues including
23 something as simple as, "Tomorrow's new uniform day.
24 Make sure your kiddo doesn't show up in uniform."

25 CHAIR JOHNSON: I just had a quick question.

1 EXECUTIVE DIRECTOR GAVIN: Go ahead.

2 CHAIR JOHNSON: So I see all of the
3 categories, and I think we've discussed how the budget
4 isn't quite sufficient. Where are the areas -- I think I
5 would find most helpful is understanding the areas where
6 we think we might need to have some significant changes
7 to this budget like in terms of like FY17, like thinking
8 about that.

9 EXECUTIVE DIRECTOR GAVIN: Sure. So speaking
10 conceptually, the NACSA recommendations which you
11 endorsed at the last meeting which included a number of
12 FTE's, those would wind up mostly in Category 1, the
13 personnel category. There would also then of course be
14 some additional costs that can come out in operations in
15 terms of square footage for facility space, et cetera, et
16 cetera. That's where you're going to see the main one.

17 You would also see, based on the NACSA
18 recommendation, some potential increases to the training
19 category, which is Category 30 which was budgeted in the
20 last session at \$985. It is also worth noting, and I
21 believe this is public because we've -- because it is
22 part of -- it is basically part of work programs you've
23 already done -- is due to things like the addition of the
24 court reporter, which is something that was recommended
25 by the Budget Office to ensure that our minutes were much

1 clearer and easier to follow and that they could actually
2 make decisions based on what the Board actually voted on,
3 that the charter school board expense line item, we will
4 see an insignificant increase in this coming fiscal year
5 FY17 because of that. That's, I think, approximately
6 \$18,000 additional cost when annualized across the year,
7 but certainly a heck of a lot better than having
8 ambiguity about what was decided at a meeting, and I
9 think it's providing a lot more clarity to other folks
10 about what we actually do. So I think that's been
11 actually an immensely useful thing.

12 MEMBER GUISSANO: Mr. Chair?

13 CHAIR JOHNSON: Yes, Member Guinasso.

14 MEMBER GUINASSO: Thank you. Is there
15 another way to look at these budget numbers to align our
16 funding to what we're mandated to do so that we can
17 evaluate insufficiencies in funding relative to our
18 legislative mandate versus these categories? Because
19 it's hard for me to assess well, are we adequately funded
20 based on what we're mandated to do versus what we're
21 doing now.

22 EXECUTIVE DIRECTOR GAVIN: There are many
23 things that are technically possible. I don't think --
24 just to be very candid with you, Member Guinasso, I just
25 don't think we're there yet. I think it's something we

1 can start thinking about. Part of this is we need to
2 make sure we go through and identify everything we've
3 mandated to do per statute because as a general matter,
4 and I think we discussed this during the last meeting,
5 what we are directed to do by those who ultimately
6 control, have significant influence or control over us,
7 whether it is the implementation of a statewide student
8 information system or the validation of student data or a
9 whole bunch of other things, most -- few if any of those
10 things are actually explicitly required of us in statute.
11 And in fact, there's an argument that can be made that
12 we're not required nor should we be doing any of them.
13 It is nonetheless what we spend the majority of our time
14 and our business doing.

15 So I would say generally speaking, if you
16 were to look at what our statutory responsibilities are,
17 particularly as a sponsor of charter schools, it
18 represents a very, very small percentage, probably less
19 than 5 percent of all of this.

20 CHAIR JOHNSON: Member Snow, I think you had
21 a question or a comment you wanted to make?

22 MEMBER SNOW: Has there been any discussion
23 amongst the Board members about approaching legislators
24 and the Governor about helping us meet our needs,
25 especially on the staff level in light of what happened

1 at last -- the discussion we had at the last meeting that
2 there really is a disconnect between what the law says
3 we're supposed to do and what we have the capability
4 really to practically do? Has there been any discussion
5 or opportunities to talk about how we can -- granted
6 you've got to have your budget formatted according to how
7 the State tells you you've got to have it formatted and
8 they say yes, they say no, and it's a lot easier to say
9 no than yes. Have there been any discussions
10 strategically at the board level about how we can go
11 about obtaining the resources that we feel we need? Has
12 there been any discussion like that?

13 EXECUTIVE DIRECTOR GAVIN: I will -- it looks
14 like Member Conaboy is about to chime in on that.

15 MEMBER CONABOY: Mr. Chairman, Member
16 Conaboy. I just wanted to point out that I think that
17 was the whole thought process behind the NACSA
18 engagement. We needed an outside expert to come and tell
19 us to put in writing what they observed. It's many of
20 the same things that we observe about ourselves and about
21 the capacity of the staff, not their personal capacity,
22 but the breadth of the staff. And I think that that's a
23 really good document. It's my understanding, Director
24 Gavin, that that went forward with our budget request or
25 some kind of correspondence to the Governor's Office.

1 EXECUTIVE DIRECTOR GAVIN: There was
2 correspondence to the Governor's Office. And I will say
3 that we have more flexibility than we did before to be
4 able to least ask. So we were able to make the case
5 based on the NACSA recommendation to at least be able to
6 make a more ambitious ask than has been typical of other
7 agencies, and I'm being very vague to make sure we don't
8 put us in a position where we're violating statute, so I
9 apologize for that, particularly we're in a public
10 context. So yes, I think we have -- and our budget
11 request will include some enhancements.

12 Again, I'm going to be very careful not to be
13 specific about what they are, but it will be -- we will
14 be one of very few state agencies that has even the
15 opportunity to have enhancements considered. So I think
16 the NACSA recommendation and the outreach from
17 individuals such as the Chair towards elected officials
18 did have some impact on that. I certainly want to
19 believe it did, or maybe I just wrote a really good
20 letter to the Governor. I don't know. But I want to
21 give the credit to Adam.

22 But that said, yes. I think it is
23 extraordinarily important that the Board be in a position
24 to advocate more for this. It will be -- and I think the
25 particular opportunity will be once the

1 Governor-recommended budget comes out and we can
2 crosswalk what we asked for versus what we got and then
3 if there is a gap, then that can be part of the
4 conversation.

5 I will also say that it has been my
6 experience that Gov rec is certainly not the end of
7 things. We had a position the Governor's Office
8 enthusiastically supported that we went through budget
9 hearings and a variety of discussions about only to have
10 it cut at the table on the day of budget close based on a
11 recommendation from LCB fiscal division.

12 So it's really important that during this
13 process that if there are critical needs, critical
14 positions, whether it is on the authorizing side or in
15 the sort of executive management level that the Board
16 considers submission critical once Gov rec comes out that
17 we push aggressively for those. And if there's stuff
18 that didn't get in, then I think there has to be an
19 appropriate conversation by members with appropriate
20 folks including the Governor's Office to say, "Look. We
21 don't want to step on the Governor's toes, but there's a
22 gap here between what we really need versus what we got."
23 I have to be careful about that as an executive branch
24 employee. I believe you guys have a bit more flexibility
25 on that than I do. So I think that is certainly

1 appropriate and something that as a policy-making group,
2 it certainly makes sense that you're free to be able to
3 do it.

4 CHAIR JOHNSON: Member Conaboy?

5 MEMBER CONABOY: I just wanted to point out
6 line 86 in the budget to my fellow Board members which
7 says we have a reserve of \$1.7 million, which indicates
8 to me that there's flexibility in available funding
9 levels to do some of the things that we've talked about
10 as being vitally important, including training for our
11 boards at our schools, including quarterly meetings of
12 our principals to meet with Patrick and discuss
13 challenges and solutions, so I think that we're not going
14 to impact the general fund by asking -- the future
15 general fund by asking for the authority to spend
16 existing money, and that's my personal take on mindset as
17 the Board approaches budget conversations.

18 EXECUTIVE DIRECTOR GAVIN: I would also note
19 that this was the closing balance for FY16 and the
20 reserve. Effective either this afternoon or Friday,
21 we'll be transmitting direct to the Department of
22 Education the specific dollar amounts for each school for
23 the refund of the appropriate amount of excess reserve,
24 and we have to keep some reserve on hand because we won't
25 get paid again until the end of this quarter that we need

1 to have operating cash plus as we talked about, there's
2 the federal dollars and all of that other stuff. But we
3 charged last year -- we assessed our schools with a 1.5
4 percent fee. We will basically be reducing that by .4
5 percentage points, so .4 will be going -- reverting back
6 to the schools which will mean we'll essentially have
7 right around 92 days of cash on hand with that plus our
8 federal special education litigation set aside.

9 MEMBER CONABOY: I understand you, Patrick,
10 and I appreciate that, and I really need to know that our
11 schools will get their unspent money back. I like that.
12 But there are things that our schools need from us that
13 we're not doing now. I just want to make the case again
14 that carrying 1.77 for a year as a reserve in the face of
15 not having capacity to get things done that we need to do
16 for our schools is, I personally consider to be a
17 problem.

18 MEMBER GUISSANO: Mr. Chair?

19 CHAIR JOHNSON: Mr. Guinasso?

20 MEMBER GUINASSO: More a question for you and
21 maybe the rest of the board members, and that is going
22 back to my earlier point, having a budget revolving or at
23 least a picture of the budget that gives us an idea of
24 what our command dates and obligations are and how well
25 those mandates and obligations are being funded would be

1 helpful in the analysis of whether we're accomplishing
2 the purposes for which we've been created, and the
3 response we got was, "Well, we really need to spend some
4 time thinking about what those mandates and purposes
5 are."

6 And so I guess my question for you and the
7 other board members is would it be useful in one of our
8 upcoming months that maybe to have a Board retreat or
9 something like that where maybe the day before our next
10 scheduled meeting where we have an open discussion on
11 what our mandates and obligations are, and so then with
12 that list, we can then ask our staff to align how dollars
13 are being spent relative to what we understand our role
14 and responsibilities to be.

15 CHAIR JOHNSON: I don't think that would be a
16 bad idea, but I'm just trying to reconcile the
17 information that we got from NACSA in determining the
18 broad category that they've -- as they looked through
19 legislation and our function as a board or they provided
20 I thought a pretty thorough analysis of what we actually
21 are responsible for and then where we fall short and then
22 actually other responsibilities that we take on.

23 So I don't know if that analysis needs to be
24 done about determining the mandates and purposes of the
25 authorities, but I think a more close analysis might need

1 to be done about where we actually foresee we need to
2 actually put more emphasis on in making some
3 recommendations. I think it would be for us to then
4 determine, as we look at our own priorities and strategic
5 plan, what we actually have to take on more of. So I'm
6 agnostic as to whether we spend the day discussing it. I
7 guess I'll leave it up to others whether we spend another
8 day --

9 EXECUTIVE DIRECTOR GAVIN: Let me be more
10 responsive to Member Guinasso's question. In broad
11 strokes, I think we do know what we're -- what our --
12 both what our job is. I don't sort of like sit and
13 wonder, not knowing what I'm supposed to do, to be clear,
14 sir. And we certainly know, based on the NACSA analysis,
15 which confirms what I think many of us have long
16 contended, which is that what we're doing and what we're
17 expected to do is rather different, or what we're
18 expected to do in practice is rather different than what
19 statute and best practice provides.

20 What I was saying, what I said much less
21 eloquently and much less clearly is, if we walk through
22 all 4,000 lines or whatever it is of our statute and the
23 specific activities that roll up to the different
24 authorizing functions, or they're set forth in reg that
25 roll up to those specific authorizing functions, so like

1 amendment -- you know, figuring out, like reviewing
2 management contracts to see whether something is an EMO
3 or not. There's all of those kinds of things.

4 What I don't think we have done, and I wish I
5 had the bandwidth to do it well, is to explicitly map
6 here's a statutory regulatory requirement. Here's what
7 it what it means to execute on that. Here's what that
8 means as a business process, and then sort of benchmark
9 what fraction of that are we actually doing? Or are we
10 doing it in a way that's sustainable and consistent
11 versus just completely reactive and ad hoc? And that's
12 where I say we're not there yet. We know what we're
13 supposed to do, but we're certainly not doing it in a
14 systematized and businesslike a way as I want us to be.

15 I want to see -- I think in flowcharts and
16 process diagrams. And instead, it's stuff flying in over
17 the transmit like, okay. What the heck do I do with this
18 three days before the Board meeting? So that's sort of
19 the gap between where we are versus where I want us to
20 be, if that makes sense in terms of sort of knowing what
21 the CTQ items, inputs and outputs are for every step in
22 that process. That's me sounding too much like a
23 bureaucrat type person, Chair.

24 MEMBER GUINASSO: I appreciate the
25 information just in assessing like how well equipped --

1 and I think the report you referenced was something we
2 would be able to use as a framework for the discussion,
3 but the piece of that discussion, I think, that's missing
4 is as it pertains to how we're looking at the budget is
5 with each of those items that we were told about in the
6 report last month, you know, which pieces of those are
7 funded well, which ones are not funded well and so we can
8 make more targeted asks with regard to what our needs are
9 that ultimately flow back to what our responsibilities
10 are as a group.

11 CHAIR JOHNSON: It sounded like, from what I
12 gather from your question is how could you use that
13 framework that NACSA provided to then align with the
14 categories that we already have on our budget document
15 today and then say, you know, similar to what I asked, I
16 said "What are the categories we need more?" You
17 mentioned 1 and 30, you know, other areas that we can
18 target specifically based on the feedback from NACSA.
19 Again, if it's our third-party validator of our work, how
20 do we align that with -- how do we translate that to the
21 budget document they're already using? And I hope I'm
22 articulating that well.

23 EXECUTIVE DIRECTOR GAVIN: What you're
24 speaking of is essentially an activity of performance
25 based budget, one that maps sort of what our core

1 business processes and how are they resourced and then
2 looks at them, looks at return on investment. Super
3 groovy idea. Would love to actually build budget units
4 that do that. That was not the direction we were given
5 in terms of how to actually do our enhancements. That's
6 how I would have loved to do it. It was prioritize sort
7 of A, B, and C in terms of like what's the stuff like you
8 desperately need right now and what's the stuff which --
9 of course it's everything, but it's trying to staff rank
10 that stuff. And I'm probably getting in too much detail
11 about what our ask is, so I need to be very careful here
12 because I don't want to put this Board in a bad position.

13 MEMBER GUINASSO: Just talk about in terms of
14 past budgets relative to what the information we got from
15 NACSA so you don't run into that problem.

16 EXECUTIVE DIRECTOR GAVIN: Yeah. So in terms
17 of past budget, less than 5 percent of our actual
18 activities are aligned with authorizing. 95 percent of
19 our work is school support or support for -- or support
20 -- actually, in some ways, department or state or other
21 state support on behalf of our schools. So whether
22 that's Infinite Campus or data validation or special ed
23 compliance or federal programs management or the process
24 of just auditing original source documentation for
25 federal -- to make sure our schools are getting

1 reimbursed appropriately for federal funds. That is the
2 vast majority of work that occupies the time of staff at
3 the agency at this point, which is to say, it's one line
4 of the entire statute. The line that says that we are
5 the LEA for the purposes of serving as a passthrough for
6 federal funds, for state and federal funds, for state and
7 federal categorical funds, to be very specific.

8 And based on that line, there is an
9 assumption from the rest of the universe that we should
10 act like a district, that we should stand up a very
11 complex student information system for which we do not
12 have the resources to implement it the way a district
13 does. You know, there are the multiple of FTEs that a
14 school district uses and certainly a school district of
15 comparable size would use to implement that system would
16 be bigger than our entire staff. It's a really complex
17 set of issues. And then there's special ed and federal
18 programs and just fund accounting and all and -- and
19 scrutinizing invoices and all of this other stuff.

20 We're doing a lot of work without necessarily
21 -- without having it be aligned to the results we're
22 supposed to get, and that puts us in a very tough
23 position because if we don't do it, there's nobody else
24 to do it. The schools can't submit things to the
25 Department of Ed because they're not -- that's not --

1 because that will result in a fiscal impact in Department
2 of Ed. So it's either we do it or Steve Canavero goes
3 and asks for a bunch more people to support charter, to
4 support processing all of this stuff for charters, and
5 that's a really hard sale for him for obvious reasons.
6 Puts us in a -- this is one of the more vexing sort of
7 structural issues we've got going on.

8 CHAIR JOHNSON: Member Conaboy?

9 MEMBER CONABOY: Mr. Chairman, may I just ask
10 that staff to circulate to the whole board, but I think
11 it would be particularly instructive for our new members,
12 the NACSA Principles for Good.

13 EXECUTIVE DIRECTOR GAVIN: I believe I
14 provided a link to it in the last report, but I will send
15 out the actual document.

16 MEMBER CONABOY: The reason I'm requesting
17 that is because the statute says that we should be the
18 model of best practices for authorizing in the state, and
19 based on national best practices, and we use the NACSA
20 model. They have a paper which, if Patrick hasn't
21 already sent it, he'll send it again. It's worth reading
22 because it outlines the scope of what a good authorizer
23 should be doing, and then you'll see the distinction
24 between, I think, what Patrick just described as state
25 agency and LEA responsibilities, which are valid and

1 important, and our staff do a phenomenal job at it, but
2 the authorizing things are the ones that come in third,
3 and yet that's why they were created. So it's a really
4 good document, I think, to study.

5 MEMBER GUINASSO: I look forward to reviewing
6 that. I guess just to underscore -- this discussion
7 underscores the earlier point though, and that is you can
8 tell what an organization is by what they spend their
9 money on, you know, so if we're spending the lion's share
10 of our money on the activities that Mr. Gavin said, that
11 that's kind of what we are. And I guess the larger
12 question then is does that line up with what the statute
13 provides? Does that line up with what the regulations
14 provide? Does that line up with what the best practices
15 are? And I don't know if I'm in a position to answer
16 that question with the information provided.

17 EXECUTIVE DIRECTOR GAVIN: So if nothing
18 else, I would like to ask that we make sure that Member
19 Guinasso that has some -- keeps himself abreast, and we
20 will do whatever to keep abreast, sir, of when we're
21 going to be presenting before either the money committees
22 in the next session because you just encapsulated the
23 conundrum right there in a very eloquent and persuasive
24 way, and I think that could be extraordinarily helpful to
25 get that context because -- yeah. What you spend money

1 on is what you value, and if that's candy and shoes, then
2 that says something different than if it's on charitable
3 contributions or on saving for a house.

4 CHAIR JOHNSON: Is there any other discussion
5 around the update on the budget?

6 EXECUTIVE DIRECTOR GAVIN: One thing I do
7 want to make really clear, and I danced around this, I
8 want -- and this is the reason why I put it for possible
9 action. As you may remember, we discussed that there is
10 an expectation of what -- even though you can propose
11 enhancements, there's also an expectation that you also
12 are reducing funds or reducing expenditures in some core
13 areas. That is something which the Governor's Office can
14 either say, "Yes, we like that idea and you should cut
15 that cost, or no, leave it alone."

16 The cost that staff have proposed would be
17 cut from the agency budget and would be transferred as a
18 direct expense to schools and would then allow them
19 greater autonomy about how to implement is the
20 subscription and support of the Statewide Student
21 Information System Infinite Campus. That is an area
22 where we have struggled and it's not -- I don't believe
23 it is the fault of this Board or even of the vendor. I
24 think it is a result of again, the context that we're in
25 where we're basically -- we've created a -- we are being

1 forced to put our schools into a one-size-fits-all
2 structure where we are essentially dictating core
3 elements of their operation including how they structured
4 their calendars and their school schedules to create a
5 streamlined system that can be supported by one FTE.

6 And I think -- and if you haven't heard --
7 and I'm actually shocked you didn't get public comment in
8 the morning about this. The level of vexation from the
9 schools that we authorize related to the level of the
10 lack of autonomy and the lack of flexibility they have in
11 the use of a product which is extraordinarily flexible,
12 but only if they are allowed to control their own
13 destinies, is really problematic. Again, I'm shocked
14 given the amount of calls and e-mails to the Governor's
15 Office and to legislators regarding the agency's
16 inability to support schools and their need for
17 significant customization of that product and more
18 autonomy in how to use that product. I think this is a
19 really tough thing that we need to work through. And at
20 least at this point, I believe that the best way to do
21 this is to discontinue the subscription, at least our
22 purchase of the subscription, and have the schools enter
23 a -- create a consortium to do it on their own and build
24 their own support system because we're just not set up to
25 do it well. Member Mackedon, I think you want to make a

1 motion.

2 VICE-PRESIDENT MACKEDON: I will approve.

3 CHAIR JOHNSON: I guess I was going to say
4 I'm curious to get some information from our schools
5 around their like or dislike of it or their -- how well
6 they'd be able to function if they had to add this to
7 their budget, and I don't know -- I only have one school
8 from which I've gotten feedback from, and that's the
9 school where I spend most of my time, so that's a very
10 limited perspective, and I don't know if any others have
11 gotten information from schools before making a decision
12 like that. And it seems like it's a small sample size in
13 the room for us to be able to gather that type of
14 feedback moment. And so is it something that needs to
15 happen at the present? Could it wait until we figure out
16 a way to try to get some feedback so that we can make
17 more informed decision about whether -- because I think
18 we --

19 EXECUTIVE DIRECTOR GAVIN: My point is this
20 is going into the budget request. It just -- and I would
21 appreciate your support in putting it in there because we
22 have to cut something, and I'd rather cut a contract than
23 personnel given I don't have any personnel to cut.

24 CHAIR JOHNSON: There's no back and forth
25 about it going --

1 EXECUTIVE DIRECTOR GAVIN: It's a
2 requirement, and you have to -- and you yourself have to
3 sign that we are abiding by the requirement of the two
4 times cut.

5 MEMBER GUINASSO: Mr. Chair, I guess the
6 problem is you're asking our chairperson if we go along
7 with what you've said to make this request kind of in a
8 vacuum because he doesn't get to see the consequence of
9 that decision relative to other priorities or the
10 consequence of that decision as it pertains to the
11 constituencies we're serving, and that's kind of an
12 unsettling place to be from a Board perspective.

13 VICE-PRESIDENT MACKEDON: I will say the
14 SPCSA staff did circulate to all of the schools the costs
15 of what that would be if we became our own entity, and we
16 didn't -- I mean, if it was super unsettling, I think we
17 would have heard more public comment than we did. We've
18 heard zero really, and this is just anecdotally. I'm
19 just one person, but I can tell you the fact that I can't
20 enter a new employee into Infinite Campus or remove an
21 employee from Infinite Campus without paying my
22 administrative assistant to put in a help ticket, and we
23 can't even -- we literally are not operational as it is
24 right now. We are nonfunctioning. It's a joke.

25 And so it's worth any -- I mean honestly, the

1 amount of money, I was like, "That's it?" I mean, I
2 really was like, "Sign me up like tomorrow." So again,
3 I'm just one school, but I know that what we've gone
4 through has been a nightmare.

5 CHAIR JOHNSON: I know there are pain points
6 at the school, so I'm not disagreeing with you. I guess
7 I'm just trying to understand A, has this already
8 happened and now I just have to rubber stamp, or are we
9 saying we still have a way to understand what could be
10 possible for a school, could they just say their -- any
11 feedback from schools to say, "Hey, we actually would
12 feel adverse to this"? Because I know from the two
13 perspectives that I have, I know there are significant
14 pain points, and so from the two places that I know, it
15 would not be an issue. But I don't know if that's the
16 feeling of the larger group of our portfolio, and is it a
17 decision that's already been made?

18 EXECUTIVE DIRECTOR GAVIN: I would say this
19 is -- a large reason for this is the fury from every
20 single school that I've had contact with with the
21 exception of two, which are the ones that already support
22 their own systems because we were -- we somehow -- it
23 happened, and now we're not being allowed to do it
24 anymore. I can tell you that Pinecrest is beside
25 themselves. Dr. Buck has reached out to half of the

1 state looking for assistance and support of this. I
2 would not be shocked if she'd e-mailed some of you. I
3 can tell you that Doral is exasperated. I can tell you
4 that certainly Oasis is furious.

5 John Hawk just came up to me right at the end
6 of -- right before the lunch break to express his
7 frustration with our inept support of Infinite Campus.
8 Leadership Academy of Nevada is weighing in. And Arjon
9 (pho.), who is too nice to ever complain about anything
10 is nodding his head. So in terms of just total -- and of
11 kiddos we serve, that's the vast majority of them right
12 there.

13 CHAIR JOHNSON: So then would schools be able
14 to pick their own SIS then?

15 EXECUTIVE DIRECTOR GAVIN: No, the --

16 CHAIR JOHNSON: They'd still have to go
17 through Infinite Campus.

18 EXECUTIVE DIRECTOR GAVIN: They would still
19 be required to do with it -- go with Infinite Campus.

20 CHAIR JOHNSON: What's the benefit then? I
21 guess I'm just curious.

22 EXECUTIVE DIRECTOR GAVIN: They don't have to
23 work with me. I mean, really, it's really that simple.
24 Like I'm -- we are the problem. We are government, and
25 we are slow and we're sclerotic, and we don't have the

1 tools to help them. And we are required to basically
2 treat them all as one-size-fits-all entities instead of
3 letting them do what they need to do.

4 CHAIR JOHNSON: One more question. So then
5 backing up on that one more time, I guess the bigger
6 issue that Member Guinasso brought up, are there other
7 decisions like this that are going to be made in a vacuum
8 where we actually don't get the context before we have to
9 kind of make a decision. While this one happens to be
10 something that schools are in favor with, I wouldn't want
11 to be put in a position where we are looking at things
12 and we're -- all of a sudden, we have to think about
13 well, how do we know --

14 EXECUTIVE DIRECTOR GAVIN: So in terms of the
15 budget question, there's nothing else.

16 CHAIR JOHNSON: Okay. Member Conaboy, you
17 wanted to add a point?

18 MEMBER CONABOY: If I could just step back
19 one little step, and I'll also need to disclose to my
20 colleagues on the Board that I represent Infinite Campus,
21 but I took them on as a client after they were contracted
22 with the State, and this is not about my representation
23 of them. It's about process.

24 When the Charter Authority Board voted to go
25 onto Infinite Campus, we -- Dr. Canavero was our

1 executive director then. We piggybacked onto the Clark
2 County School District contract, and in retrospect, I
3 think what we did is set it up wrong. We set up all of
4 our schools as one database, and we have one part-time
5 staff person who has been on leave for quite a while as
6 the entirety of our IT support staff for all of our
7 schools. And I think what Director Gavin is talking
8 about here is a solution to a process problem. It's not
9 the system. It's not the capacity of our schools. We
10 just don't have a process in place that works for our
11 schools. There is a solution. Patrick and I have talked
12 ad nauseam about this, and I think what my sense --

13 EXECUTIVE DIRECTOR GAVIN: I would note,
14 Madam -- sorry, Member Conaboy, I started to call you
15 Madam Chair there for a second there. Sorry. Old habits
16 die hard. This Board voted close to nine months ago --
17 no, longer, almost a year ago, to authorize the split of
18 the databases so schools could contract with their own
19 support. We have been forbidden to implement that.

20 MEMBER CONABOY: That's my point, Gavin.
21 There is a solution to this. And I think the way you're
22 proposing to budget for Infinite Campus by devolving that
23 expense back to the schools and also giving them back
24 that portion of their money would be to everyone's
25 advantage just so -- that's just a simple explanation

1 of --

2 CHAIR JOHNSON: Thank you, Member Conaboy.
3 Member Guinasso?

4 MEMBER GUINASSO: Thank you, Mr. Chair. A
5 couple of concerns. One, I'm reading this budget, or not
6 this budget, this agenda. And with regard to the action
7 you're asking for, I don't know that this clearly and
8 completely puts it out so the members of the public would
9 know to come and give public comment on this sort of
10 thing. So maybe the reason why we don't have public
11 comment is because the action we're taking hasn't been
12 articulated in this particular agenda item. So that
13 would be number one I'd be concerned about.

14 And then number two -- and this maybe just
15 comes because I'm relatively new. I still don't -- even
16 though with some of the context, I still don't understand
17 what is going on here because I don't know that that's
18 been -- I don't know that we were prepared for that, I
19 guess is what I'm saying. And so it sounds reasonable,
20 but I don't know that I've been given enough information
21 to understand why we're making this decision and what the
22 ramifications of it would be, and so it puts us at
23 somewhat of a disadvantage where I certainly trust you to
24 do the best job and make the best judgments, but you're
25 asking us to --

1 EXECUTIVE DIRECTOR GAVIN: I've put you in a
2 difficult position, and I apologize. For a lot of
3 reasons, this is a very -- this situation is particularly
4 challenging. It's probably -- it is actually the hardest
5 thing we're dealing with right now, which for something
6 that is mentioned nowhere in our statutes, in fact, the
7 statute that actually authorizes the State to mandate a
8 statewide information system, we would appear to be
9 categorically excluded from it because it says, "The
10 school district shall do this." And then if you read the
11 regulation how it applies to charter schools, it says
12 that charter schools shall do it themselves.

13 This is something we did I think in trying to
14 be helpful and consolidate costs which has now -- when we
15 had 11,000 or 12,000 kids in our portfolio. We're now
16 almost three times that size and with the same resources,
17 and also frankly a much more nuanced understanding of
18 this system and how complex it is and how very difficult
19 it is to do this well, particularly for an agency like
20 ours, especially without putting -- and the other reason
21 I'm being very careful is I am very concerned about a
22 legal risk for how this is being done now, and I want to
23 be very careful about what I do and do not say on the
24 with record with regard to this. But just generally
25 speaking, things like user rights and security and PII,

1 these are all -- personally identified information --
2 like have both business process and cost implications,
3 but they also have significant legal considerations as
4 well.

5 MEMBER GUINASSO: Excuse me, Mr. Chair.
6 Could we have a two-minute recess so I could talk to
7 counsel?

8 CHAIR JOHNSON: Yeah. We'll take a
9 two-minute recess.

10 (Recess was taken.)

11 MEMBER GUINASSO: Mr. Chairman, can we
12 convene again?

13 CHAIR JOHNSON: We can reconvene.

14 MEMBER GUINASSO: So based on advice of
15 counsel, I would just say that we can't really take any
16 action, at least the proposed action, we can't. It was
17 good that Mr. Gavin gave us the information, but at this
18 point, I don't know that we could take the specific
19 action that he had asked for that sparked this
20 discussion.

21 CHAIR JOHNSON: Just to make sure we're
22 certain, Mr. Gavin, could you repeat your request of our
23 action then just to make sure we --

24 EXECUTIVE DIRECTOR GAVIN: So the broad --
25 what I was really trying to do here is one, inform you of

1 a particular cut that you will become aware of, assuming
2 it does survive the Gov rec process so that you're not
3 blindsided by it. It is an agency budget request being
4 developed by the director. We have this bizarre
5 expectation that the Chair is supposed to sign this,
6 which I think means there -- since he has no individual
7 authority, there should be some collective action, but I
8 would agree with counsel.

9 I don't see how you can possibly make a
10 decision to direct him to do something, to authorize him
11 to do something without clear and complete information
12 which includes the support document with this. So we're
13 kind of caught between a rock and a hard place. So I'm
14 just going to say, I'm going to ask Adam to sign the
15 thing, and I hope he will because I don't want us to have
16 us hold things up, but it is just where we are, and --

17 CHAIR JOHNSON: But there is no action at
18 present.

19 EXECUTIVE DIRECTOR GAVIN: There is no
20 action. I don't believe there's really any action the
21 Board can take without a OML violation because -- Jason
22 is completely right. Clear and complete it ain't, and
23 there's no documentation to be able to actually support
24 the decision.

25 CHAIR JOHNSON: I just wanted to make sure we

1 were clear. Thank you, Mr. Guinasso. Thank you,
2 Director Gavin. I appreciate the update. So we will
3 move on to Agenda Item No. 11. Vice-Chair Mackedon,
4 Charter School Association of Nevada Conference update.

5 VICE-PRESIDENT MACKEDON: I just wanted to
6 provide an update on that. I included a draft letter
7 that you can tell it's in draft form. The links have
8 been fully developed at the time this Board packet was
9 put together, so but the CCM conference is coming up.
10 It's October 1st. It's a one-day conference, and I think
11 all of the details are in the letter from Colin Seale,
12 the board chair, that are included in the Board packet.
13 So hopefully, we'll see the majority of you there.

14 CHAIR JOHNSON: All right. Thank you,
15 Vice-President Mackedon. Agenda Item No. 12: Update,
16 discussion and possible action regarding the State Public
17 Charter School Authority's strategic plan. Director
18 Gavin?

19 EXECUTIVE DIRECTOR GAVIN: Member Mackedon,
20 sorry, Vice-Chair Mackedon went a lot faster on that than
21 I was anticipating. I was totally trying to send out the
22 Principles and Standards e-mail. Multitasking here. So
23 give me one second, folks.

24 All right. Regarding the STRAP plan. So
25 I've veered a little bit from what you guys had asked,

1 and we've got actually two sets of goals in here, and
2 this actually does relate to the budget request.
3 Interestingly enough, as part of performance-based
4 budgeting at the State level, you actually do have to set
5 quantifiable like -- you have to set targets or metrics,
6 and then there are targets that are tracked along the
7 way.

8 For the first time in at least three biennia,
9 there is an opportunity to actually revise those
10 quantifiable -- those metrics, and I want to ensure that
11 they are fully aligned with our STRAP plan. So that's
12 why I wanted to make sure we lumped in sort of Goals 2
13 and 3 this time because they are so intimately tied to
14 our performance targets, both our historic and our
15 proposed revised ones. And then I also believe they
16 actually link to Member Guinasso's larger question about
17 sort of whether we're doing -- whether what we're doing
18 is aligned to what we're supposed to be doing and how
19 we're spending our money. So in retrospect, it would
20 have been better to have this conversation before the
21 budget, and I just wasn't thinking. I should have asked
22 Mr. Chairman, so my apologies.

23 So goals. We were talking about Goal 2 and 3
24 today. Goal 2, the proposed draft and just -- actually,
25 let me back up. I'm just realizing that at least two of

1 our members have not been through this process before
2 because you had to sign off or you had to leave when we
3 did this conversation the last time. So let me actually
4 just back up and give you the overall context.

5 In May of this year, the Board convened a
6 two-day retreat. It was a public meeting. It was
7 essentially a long work session. There was only one
8 agendized item that required action, and that was
9 actually a renewal item for a particular school, but
10 everything else was essentially discussion. And it was
11 spirited, it was contentious. Adam and I are still --
12 it's a good thing we're now talking to each other again,
13 but we hammered out a lot of stuff, and we got to a point
14 where we came to a broad consensus on the objectives and
15 goals of the agency for the next three years.

16 Those objectives are, No. 1, by 2020,
17 increase the number of high quality seats in
18 State-sponsored charter schools to 60,000. A
19 high-quality seat is defined below budgets. It's a four-
20 or five-star seat or equivalent, depending on what the
21 NSPF looks like. And then by 2020, enroll a statewide
22 student population which is representative of our sending
23 schools. So what that means for those who are not --
24 sort of in SPCSA-ese, is sending schools means the
25 schools our students -- the zoned schools our students

1 would have otherwise attended based on where they live.
2 And when we talk about a population that is
3 representative of our sending schools, that means if
4 there are five schools that each pull 23 percent of our
5 kids, that we do a weighted average of the student
6 populations of those schools that our schools look --
7 that the school that's drawing those kids looks pretty
8 close, within 10 -- like within 10 percentage points.
9 That is what we mean by sort of student population is
10 representative of our sending schools.

11 Under that, we articulated four goals and
12 some sub points. Goal 1 is the opening and sustaining of
13 quality schools that reflect the demographics of their
14 community, and we looked at three different strategies as
15 part of that: proactive enrollment practices, equitable
16 funding and focusing on local talent to open new schools.
17 Secondly, an unwavering commitment to high-quality
18 schools, and there we explicitly define that we mean that
19 by four- or five-star schools. And there are five
20 undergirding strategies for that.

21 The first is approving only the highest
22 quality applicants. The second is rewarding high-quality
23 schools in disseminating best practices. C is
24 sanctioning low-performing schools, which could and
25 should include closure of low-performing schools that do

1 not improve. D: the alignment of standards to
2 assessments to ensure we're actually measuring what we
3 think we're measuring, and then E, third-party
4 comprehensive assessment of the quality of the sector. I
5 think that's a longer-term strategy.

6 Number 3. Fulfillment of public school
7 obligations. And the first item under that is to ensure
8 the equitable service to traditionally underserved
9 populations. B is to reward schools that have equitably
10 served such populations. C is to investigate and
11 sanction schools that do not do that, and D, recognize
12 problems and encourage partnerships to facilitate
13 solutions to students' environmental challenges.

14 Four is facilitation of a community of
15 practice among charter school operators and leaders to
16 build a culture of innovation and collaboration, and
17 there are two strategies that undergird this. The first
18 is the leveraging of the authority's LEA role to
19 encourage the development and dissemination of best
20 practices, so this is essentially making sure our schools
21 can learn from each other. So if there's a great policy
22 like a really stupendous enrollment policy and we say,
23 "Hey. Here's a link to Coral's enrollment policy. If
24 you guys are thinking about revisions, this is something
25 you might want to look at." That would be an example.

1 B: Collaborate with the Governor's Office, GOED, and
2 other key stakeholders to encourage the formation of
3 high-quality schools that support the overarching
4 workforce and economic development goals of the state.

5 So what that means is if the State decides we
6 need to have a lot more expertise in a certain area
7 including certificates for kids, we should consider
8 actually developing a specific RFP for operators who want
9 to bring that kind of a program to our state. People
10 don't know you want it unless you ask for it, so that's a
11 key piece of this.

12 So draft metrics. Again, last month we
13 talked about Goal 1, and the Board endorsed staff
14 recommendation related to the metrics for Goal 1. This
15 month, we're talking about Goals 2 and 3. Goal 2. The
16 proposed metrics are measuring the number and percentage
17 of seats at the four and five-star level or equivalent.
18 So again, that's how many kids are in schools that are at
19 the four-star level, how many kids are in school at
20 five-star level, and then what percentage of that is
21 overall portfolio.

22 I think we'd all love to see it be 100
23 percent, keeping in mind that star levels can -- there's
24 both growth and status elements to that. So a school
25 that's serving kids that are coming with a low baseline

1 but that's showing strong gains every year, really sort
2 of in a stupendous impact is -- can easily achieve the
3 four or five-star level. They're not consigned to the
4 cellar just because of where the kids started. It's how
5 far they grow them. Similarly, a school that is already
6 serving high-performing kids and keeping them high
7 performing and is also closing equity gaps within that
8 student body, they're also considered a four- or
9 five-star school, so this is a useful way of thinking
10 about that.

11 Secondly is the number and percentage of new
12 schools rated four or five star in their first rating
13 year, which I think is basically a metric to determine
14 whether we're actually approving the top-quality
15 applicants or if we're letting folks who aren't prepared
16 to execute go out of the gate and start schools. And if
17 we are, we need to have a conversation about making --
18 about whether it's tweaking our rubric or norm setting
19 and level setting what our expectations are for new
20 schools or just -- or not -- telling staff we're making
21 bad recommendations or that the Board isn't following
22 staff recommendations. It could be any of those things,
23 but we need to have that. We need to know how we're
24 doing on that. And then the number and percentage of
25 low-performing schools closed each year. Hopefully, we

1 don't have any low-performing schools. We don't have to
2 close anybody, or the low-performing schools are showing
3 significant growth every year, so they're quickly going
4 to not be low-performing. But we've got to have the
5 ability to make sure that we hold ourselves accountable
6 to closing bad schools. This is also a critical element
7 of our ongoing eligibility for federal CSP dollars.

8 One of the key criteria for selection or
9 renewal of a federal grant for this is that the State and
10 all of its -- or any authorizing entity that is receiving
11 funds directly like we can now has a demonstrated track
12 record of decreasing on an annual basis the number of
13 low-performing schools in its portfolio either by
14 performance managing them up or moving them out. So
15 that's that.

16 So any discussion on Goal 2? Because I've
17 just totally filibustered for a while. I apologize.

18 MEMBER GUINASSO: Excuse me, Mr. Chair.

19 CHAIR JOHNSON: Yes.

20 MEMBER GUINASSO: I just wanted to know
21 somewhat about the star levels. This may be somewhat of
22 an ignorant question, but if I wanted to know what a one
23 star meant or a two star, where would I go to look for
24 that?

25 EXECUTIVE DIRECTOR GAVIN: So based on the

1 current Nevada School Performance Framework, which is
2 currently frozen in amber because we don't have ASPAC
3 data, and there's some changes that are going to be made
4 as a result of the reauthorization of the Elementary and
5 Secondary Education Act, one-star schools are the lowest
6 performing schools in the state. They are typically
7 schools that show either no growth or significant
8 decline, zero per year in student performance, and
9 typically have very low levels of student proficiency.
10 They're generally speaking among basically the lowest 5
11 percent of schools in the state, roughly. I've actually
12 got a chart, too, I can -- that I've provided sort of
13 showing sort of what this looks like statewide that I can
14 send you, or I can send it to Danny. I can probably get
15 him to put it up on here. I just have to find it.

16 CHAIR JOHNSON: You can also find that
17 information on the Nevada Report Card. And obviously the
18 information is frozen as of right now, but I think it
19 would help you to find it. And then also, Ms. Jurgensen,
20 Joan Jurgensen, if you actually reach out to her, she's
21 up in Reno. She can walk you through how we measure our
22 schools as well.

23 MEMBER GUINASSO: Thank you, Mr. Chair.
24 Thank you, Mr. Gavin.

25 MEMBER CONABOY: Mr. Chair?

1 CHAIR JOHNSON: Yes, Member Conaboy?

2 MEMBER CONABOY: You just reminded me of
3 something. At one point in time, Joan explained some of
4 our performance framework to us. I think it might be
5 useful for a refresher for former or continuing board
6 members, but also as a primer for our new board members
7 to have Joan walk the entire Board through the
8 performance framework, and at that point in time, perhaps
9 have a little bit of discussion about what's going on
10 with possible changes at the state level under the ESSA.

11 EXECUTIVE DIRECTOR GAVIN: So, Member
12 Conaboy, it's funny you mentioned that. We actually had
13 a draft agenda item to do a walkthrough in particular of
14 the financial framework based on some of the work that's
15 been done on that, and then we were planning in the next
16 month to do the academic stuff. The two people who would
17 do that work are spending 170 percent of their time right
18 now trying to make Infinite Campus work. This is pretty
19 much what I mean. I think they're all working OT right
20 now, so --

21 MEMBER CONABOY: I understand that. At the
22 appropriate point in time.

23 EXECUTIVE DIRECTOR GAVIN: Yes.

24 MEMBER CONABOY: At the appropriate point in
25 time.

1 EXECUTIVE DIRECTOR GAVIN: We're on it, and I
2 just want to manage the expectations.

3 MEMBER CONABOY: Thank you. At the
4 appropriate point in time. But in the meantime, perhaps
5 -- I asked the Chair at lunch whether a whole series of
6 documents had been sent to our new board members, and so
7 maybe some of the things that we're talking about today,
8 Director Gavin and Danny could send links to things.
9 Those of us who are conversant with the website that the
10 Department of Education maybe could find these things
11 easier, but I think for our new members, it would be
12 really nice to just send them the link.

13 EXECUTIVE DIRECTOR GAVIN: That's a really
14 thoughtful point. Thank you. Okay. So --

15 CHAIR JOHNSON: Any other discussion about
16 Goal No. 2? Are we acceptable to move to Goal 3? Member
17 Conaboy?

18 MEMBER CONABOY: I just have a question on
19 Goal 2.

20 CHAIR JOHNSON: Please.

21 MEMBER CONABOY: Director Gavin, the way this
22 reads now -- and I know we talked about this at the
23 retreat, but four and five stars, four and five stars,
24 are we tying ourself to something that may change as the
25 NSPF changes? And I think at the retreat, we discussed

1 the top two levels of the ranking system or whatever.

2 EXECUTIVE DIRECTOR GAVIN: And I think I said
3 "or equivalent" here, and so just try to give us that
4 flexibility. So yes, I think we will have to make a
5 technical adjustment to the STRAP plan if and when a new
6 framework comes out because if it's not -- if it's no
7 longer five and instead it's three and instead of stars
8 it's lunch boxes, we're going to have to adjust. But --
9 because we have to -- as the language that we all speak
10 changes, we've got to make sure we update this. But
11 yeah, we are where we are right now, and I think it's
12 useful to --

13 MEMBER CONABOY: Okay. I hear you. On D
14 under 2 also where it says, "Aligned standards to
15 assessments," I would just reverse that. We really want
16 to align the assessments that we use to the standards
17 that everybody has adopted.

18 EXECUTIVE DIRECTOR GAVIN: Noted. And so I'm
19 going to jump into the draft metrics for 3. And there
20 are two of them, and that is the number and percentage of
21 open enrollment schools with all subgroup populations
22 within 10 percentage points of sending schools, and just
23 to be clear what that means. So that means that if
24 you're -- if three sending schools -- and our schools all
25 have a lot more than three sending schools, but just for

1 the purposes of not having my head hurt or your head
2 hurt, if assuming there's three schools and each sending
3 30 percent of the kids, that that -- and so you create a
4 composite school that the overall metrics in terms of
5 students of color or of LEP students, of SPED students,
6 of students on free and reduced lunch looks pretty
7 similar, within 10 percentage points.

8 And the reason we said 10 percentage points
9 is there's actually a provision in statute that says that
10 charter schools are supposed to basically make every
11 reasonable effort to ensure that -- especially in terms
12 of racial gaps, that their numbers are within 10
13 percentage points. There's never been a way of really
14 measuring that. This is an attempt to do this and talk
15 about it, not in terms of saying, "Naughty school, like
16 you're 11 points" but it's a "Hey, let's have a
17 conversation about why this is happening, or you're not
18 marketing effectively to X, Y or Z community, or why is
19 it that so many of your students appear to be of a single
20 demographic that is not representative of the overall
21 population?" In some case -- and in most cases, I don't
22 believe this is deliberate. I think it's a vestige of
23 bad policies we had for a long time that had to be
24 changed in statute. We've got schools that are working
25 really hard on that.

1 I would say if you look at the overall
2 diversity of our portfolio, and how it's changed since
3 2011, we are dramatically more diverse, but we are still
4 not close to being representative of sending schools, nor
5 are we representative of the state or of our local
6 districts. But this has got to be part of the
7 conversation of moving towards a more diverse portfolio.

8 And then first one is sort of output, and
9 then I would call these sort of key -- and I'm not a big
10 fan of tracking inputs, but in this case because this is
11 such a seismic change and a behavioral shift, I think
12 that these are important leading indicators of whether or
13 not you're going to get to number one, and that is
14 looking at the number, percentage of open enrollment
15 schools, adopting and implementing equitable, marketing,
16 disciplinary and other organizational policies designed
17 to attract, enroll, and retain a student body that's
18 reflective of the surrounding community.

19 So if your school is way disproportionately
20 representative of one ethnic group and you're an open
21 enrollment school, not an issue specific school that says
22 we're open to students with this particular need, then I
23 think we've got to have a serious conversation about
24 well, what's going on with your enrollment policy and
25 your marketing stuff? Are all of the pictures of the

1 kids on your website white in a community where 60
2 percent of your kids are of color? What message does
3 that sends to parents? If we mystery shop schools and we
4 find out that you call the school secretary and she says,
5 "Oh, yeah, we don't take kids with special ed. It's
6 really hard," that's a training opportunity, if nothing
7 else. Like, "Hey, you've got to train your people to
8 make sure they don't say things you know are wrong."
9 Because I don't think most of our schools are sitting
10 there going, "We don't want to do this." It's a person
11 flapping their gums and saying the wrong thing or using
12 poor judgment.

13 Discipline. This is, I think, an area which
14 is really, really critical and national cutting edge
15 stuff. Secretary King talked about this at the National
16 Alliance Conference back -- and for those of you who
17 don't know, Secretary John King started his professional
18 career as a teacher and founder of one of the highest
19 performing charter schools in the nation and is the first
20 Puerto Rican or partially Puerto Rican Secretary of
21 Education. He's someone who has been a charter proponent
22 since the early days of the movement, and so he's an ally
23 of ours, and he's saying, "Guys. We need to work on
24 disproportionality of discipline in charters." That
25 doesn't mean you can't hold kids to high standards and

1 you shouldn't make kids wear -- you can't make kids wear
2 uniforms, but it doesn't mean -- you don't start kicking
3 kids out. You look at other mechanisms for improving
4 discipline or improving school culture and climate. So
5 the discipline thing is huge. And then just sort of the
6 broader thing of what other organizational policies, and
7 that could be free lunch, that could be transportation,
8 or here's a carpooling strategy where we're going to, I
9 don't know, a parent Uber pool. I have no idea. Like
10 there's so many innovative things our schools could be
11 doing on this.

12 Again, this goes back to the sharing of best
13 practices we'll talk about next time. There's just
14 enormous opportunity here, and I'm super excited by this
15 work. And because I think it's -- the biggest criticism
16 we get at the legislature. They're like, "Okay. We get
17 that you don't have test scores for a while. Why are
18 your schools so white? Why are they so rich? Why don't
19 you have enough SPED kids?" Like these are the questions
20 they ask in their reasonable questions because they're
21 investing public dollars into these schools.

22 CHAIR JOHNSON: Member Conaboy? I was going
23 to ask if there were any comments.

24 MEMBER CONABOY: Director Gavin, you used a
25 phrase that I really like that I don't see in the written

1 document, and that is, "intentionally diverse." I think
2 that's a very clear statement of intent and purpose, and
3 just wondering if, under 3A, where we say, "Ensure
4 equitable service to traditionally underserved
5 populations," maybe we just say, "Become intentionally
6 diverse by ensuring." I just really like that language
7 that shows a forethought about things not an afterthought
8 about things.

9 EXECUTIVE DIRECTOR GAVIN: So funny. I
10 struggle with this. And let me talk about why. So first
11 of all, this is talking about schools that are open
12 enrollment, which is admittedly the vast majority of our
13 schools. But what I don't want to do is send a message
14 that when we have schools that are serving an at-risk or
15 a niche population, students with disabilities, young
16 boys of color who've expelled, whatever else. There are
17 really extraordinary majority/minority schools that are
18 life -- that are doing life-changing work with
19 mission-specific preferences or at least certain -- or
20 mission-specific marketing strategy that they get their
21 authorizer on board with, and I think that's going to be
22 a big part of diversifying our portfolio as well because
23 that's -- look. As long as we're in the suburbs, we're
24 always going to be disproportionate related to like the
25 urban core of Clark County or some of the more

1 challenging areas in Washoe.

2 But intentionally diverse is a particular
3 niche charter school. It's a growing and really
4 interesting movement, and I'd love to see more of our
5 schools think of themselves as intentionally diverse, but
6 I don't want to sit here and say -- I think it would be
7 just as dangerous to say that all of our schools should
8 be intentionally diverse as it would be to say all of our
9 schools should be no excuses. Even though I love
10 intentionally diverse models and I think there's some
11 fabulous -- and I'd like to see our schools learn more
12 like adopt more of their practices, and I think no
13 excuses programs are fabulous and I'd like to see many of
14 our schools borrow from those practices as well.

15 I also -- I just don't think that we should
16 be in a position where we're -- it sounds like we're
17 dictating a model, and there's a national coalition of
18 intentionally diverse schools that has a specific sort of
19 set of things. So intentionally diverse is, I think, is
20 a great term for us to use, but I don't know if I want to
21 put it in writing.

22 MEMBER CONABOY: Well, okay. But ensuring
23 equitable service to traditionally underserved
24 populations means to me --

25 EXECUTIVE DIRECTOR GAVIN: Gets closer to

1 that, yeah.

2 MEMBER CONABOY: Well, it doesn't go all the
3 way. I'm mean, I'm looking at Dr. Hawk, and I'm not
4 picking on him. I'm pointing him out as an exemplar of
5 many good things. But even Dr. Hawk, with as -- even
6 though he's not an open enrollment school, he could be
7 intentionally diverse in his marketing and recruitment of
8 a certain level of child to come to his school.

9 EXECUTIVE DIRECTOR GAVIN: And I would note
10 that one of the reasons Dr. Hawk and -- the Drs. Hawk and
11 their board applied for and received approval to add a
12 new campus in East Las Vegas, it was in part because they
13 -- that was part of their intentionally diverse strategy,
14 was or to be -- an intentional strategy to be more
15 diverse was let's go where the kids are. And so that's
16 certainly one of the ways that can happen. I mean, I
17 think John and Wendy have worked really hard on that. I
18 completely agree, Kathleen.

19 CHAIR JOHNSON: Do you have a point,
20 Vice-Chair Mackedon?

21 VICE-PRESIDENT MACKEDON: I do have a
22 question. So on the other metrics that we've seen so
23 far, I felt really good like I know where this data is
24 coming from, and I'm wearing my school leader hat right
25 now, and I'm thinking please tell me that all of these

1 things that you're talking about in bullet point 2, you
2 have a report that you're already getting in mind where
3 you're going to pull this information and that our school
4 leaders aren't going to get some epicenter popup that's
5 like your draft metrics for Goal 3 are due in 21 days,
6 and all of a sudden, there's a real big cumbersome report
7 that gets at all of this stuff.

8 I feel like -- think that the majority of
9 it's out there, so if the staff haven't started to wrap
10 their head around where they're already going to pull it
11 from, we should start that process and not create another
12 version of regurgitating data that is already available.

13 EXECUTIVE DIRECTOR GAVIN: Awesome question,
14 Member Mackedon. So here's exactly how I intend to
15 operationalize this. We already have a mechanism, a
16 process. And admittedly, it's one we need to get better
17 at and be more systemic about, but we need to do it
18 anyway.

19 Our performance for our academic performance
20 framework already creates this composite school for the
21 purposes of comparing the growth of students, the growth
22 of students at each of the sending schools to create that
23 composite school so we can then say, "Is our school
24 growing more or is it growing less than the schools that
25 its kiddos come from?" So there's that.

1 We can essentially take the same pivot table
2 that we use, and instead of plugging in the ASPAC data or
3 the whatever the test du jour is with the growth data, we
4 can plug in the Nevada Report Card or the count -- day
5 count of how many students of color, how many FRL
6 students, how many LEP students, how many homeless
7 students, whatever the subgroups wind up being that we're
8 tracking for every school in the state, and it's just
9 simply a gap analysis. Okay. So for composite school
10 here is -- has this many FRL students, this many LEP
11 students, etcetera, from a technical perspective, it's
12 super easy.

13 The only sticking point that we have to do,
14 and this is just really about a behavioral and adaptive
15 challenge is make sure we work with our district. It's
16 twofold: one is making sure our schools give us accurate
17 information about where the kiddo lives, so that's the
18 validation of the address data which we make you do
19 anyway for the purpose of composite school analysis for
20 academics.

21 MEMBER CONABOY: Director Gavin, is the
22 answer yes?

23 EXECUTIVE DIRECTOR GAVIN: Yes.

24 MEMBER CONABOY: Okay.

25 EXECUTIVE DIRECTOR GAVIN: Yes. Sorry.

1 MEMBER CONABOY: We need to know the time,
2 not how to make a clock, okay?

3 CHAIR JOHNSON: Wow. So we will entertain a
4 motion on whether we accept these draft goals.

5 MEMBER GUINASSO: Mr. Chair, I didn't get a
6 chance on the second metric.

7 CHAIR JOHNSON: Please.

8 MEMBER GUINASSO: Or not the second metric
9 but the second goal. There was the last metric, and it
10 had the provision to close low-performing schools, and
11 that came up a little bit earlier today. And I just
12 wanted to reiterate a point, and that is if we have
13 schools that are in some sort of a settlement agreement
14 mode with receivership and all of that, that every
15 meeting, you know, we should have the option, you know,
16 as a part of the update to move to close those schools if
17 they're not meeting some aspect of the settlement
18 agreement or not complying with what the receiver has
19 them doing or some iteration of that.

20 I just want tools in my hands from month to
21 month to really be able to pull the trigger on some of
22 these harder decisions because I think one, it will wind
23 up with the goals that we're stating here, and two, it
24 will be consistent with one of the purposes for which
25 we're here, and that's to make sure we have high-quality

1 charters that are in operation rather than stringing
2 along charters that aren't performing and may never
3 perform.

4 CHAIR JOHNSON: Member Conaboy?

5 MEMBER CONABOY: Actually, I was hoping to go
6 back to that very point, Director Gavin. It seems to me
7 that we have more options than closing. In 509, we had
8 the option to reconstitute. Should we measure that as
9 well? I mean, we're spending a lot of time and resources
10 on receivership and reconstitution of two schools right
11 now, and I think that ought to be reflected in our sort
12 of effort report to ourselves in the metrics of our plan.
13 So maybe add close or reconstitute each year which a
14 valid line of effort right now for a lot of --

15 EXECUTIVE DIRECTOR GAVIN: I had hoped that
16 we would just simply encapsulate that in the number of
17 schools that are at four or five stars. If the schools
18 move to four or five star, then we're in a good place.
19 But I hear your point, and so that -- yes. I think we
20 can do that. The number of low performing schools.

21 The other thing we could say is we could just
22 add another metric. The number of low performing schools
23 closed each year, the number of schools reconstituted or
24 put into receivership each year.

25 MEMBER GUINASSO: Or you could say including

1 closing or reconstituting schools the performing schools,
2 just a nod to what happened last legislative session.

3 MEMBER CONABOY: The point is to reflect the
4 fact that we have options. That's not our only option.

5 VICE-PRESIDENT MACKEDON: I would make a
6 motion to approve the draft metrics related to Goals 2
7 and 3 with the addition of reconstitution in Goal No. 2.

8 MEMBER SNOW: This is Member Snow. I will
9 second that motion.

10 CHAIR JOHNSON: All in favor?

11 THE BOARD: Aye.

12 CHAIR JOHNSON: All right. Fantastic. We
13 will move to Agenda Item 13: Summer charter application
14 cycle update. Mr. Scroggins?

15 MR. SCROGGINS: Yes, thank you, Mr. Chairman.
16 For the record, Brian Scroggins, Deputy Director for the
17 State Public Charter School Authority. Just a real quick
18 update. We concluded our summer charter application
19 cycle just recently. We originally had 18 letters of
20 intent. We met with them, and six have given
21 applications. Those are posted on our website if you'd
22 like to look at them fully.

23 Just real quickly, Atlas Academy of Reno,
24 which obviously is in Washoe County, grades K through 8,
25 there's a metrics of how many children they want to

1 serve. Foundations Charter School in Clark County, which
2 is K through 5. Marzano Academy in Clark County, which
3 is K through 8; Manor Academy of Northern Nevada, which
4 is Washoe County, which is K through 8; Mountain West
5 Academy of Sparks, which is Washoe County, will be
6 servicing or proposed to serve K through 6; and then
7 Sierra Nevada Steam Academy in Carson City, proposing to
8 do grades 12, or excuse me, 7th through 12. So again, we
9 have six that have not gone through the review process,
10 but just wanted to inform you as to we had six new
11 applicants for charter schools.

12 CHAIR JOHNSON: Thank you, Mr. Scroggins.
13 Any questions for Mr. Scroggins here? All right. We'll
14 go on to our very second-to-last agenda item here, which
15 are the Chair and Vice-Chair elections pursuant to NRS
16 388A.

17 EXECUTIVE DIRECTOR GAVIN: Mr. Chairman, may
18 I interrupt with something? And I apologize. I should
19 have given you this information before. Member Conaboy
20 and I talked maybe 48 hours ago on this, and I meant to
21 mention it to you this morning. Kathleen noted really --
22 she pulled up the statute. It actually only requires it
23 in odd-numbered years, so if you don't want to -- if you
24 and Melissa don't want to step down, you actually don't
25 have to be re-elected right -- we do have to do an

1 election right now.

2 CHAIR JOHNSON: I'd rather get some
3 affirmation people want me in this seat as opposed to
4 just using any abject power, so I will open up the
5 election to see if there's anyone who wants to nominate
6 themselves or anyone else for either Chair or Vice-Chair.

7 MEMBER SNOW: Mr. Chairman, I would move that
8 we keep you as Chair and Melissa -- last name again?

9 VICE-PRESIDENT MACKEDON: Mackedon.

10 MEMBER SNOW: As Vice-Chair. Thank you.

11 MEMBER GUINASSO: And I second.

12 CHAIR JOHNSON: All in favor?

13 THE BOARD: Aye.

14 CHAIR JOHNSON: All right. Simple enough.
15 Easiest election I ever won. We will move on to Agenda
16 Item No. 15, which is public comment. I have one here
17 from the south. It is from Dr. John Hawk, Chief
18 Executive Officer or Chief Operations Officer at Nevada
19 State High School. Dr. Hawk?

20 DR. HAWK: Chair Johnson, Members of the
21 Board, John Hawk, for the record, Chief Operations
22 Officer for Nevada State High School. I'd like to
23 welcome the new member to the Board and congratulations
24 on the election and winning your election again.

25 Three things. One is our two charter school

1 applications. When can we receive feedback on the two
2 charter school applications to fix what's wrong with them
3 so that we can start moving forward? Two is a timeline
4 for the review of any material amendments, and it's
5 something I brought up to Greg when he was here after
6 lunch. We submitted a material amendment for our bylaws
7 in May, and we still haven't heard back. And I
8 understand and can appreciate the capacity discussion.

9 Look. It's like a bicycle, right? If I jump
10 on the bike and I ride the bike today, and I'm riding the
11 bike and then I get off the bicycle and then I look at
12 you and I said, "Well, I can't ride a bike." Is it a
13 choice that people are saying we can't do? And that's
14 this Infinite Campus discussion, which is the third
15 point, is it a choice that the State Public Charter
16 School is making? Is it a conscious choice that you're
17 making not to do things?

18 I've got two users, and I want to help the
19 discussion. I want to push the discussion along, and
20 this is the third and final point. But I also don't want
21 to say and give into is this a conscious decision being
22 made? And my point here is Infinite Campus. I don't
23 want to do Infinite Campus. I don't want to do my
24 financial records. Shoot, I don't want to do anything.

25 You know, it goes back to a saying that

1 everybody wants a job, but nobody wants to work. So is
2 this a conscious decision that's being made to upset the
3 charter school community?

4 And here's my point. It was about four weeks
5 ago, we hire two brand new site administrators. We asked
6 those site administrators to be given user accounts. And
7 just two days ago, we were told that we never made that
8 request. Is that the conscious decision saying, "Yeah, I
9 know how to ride a bike. I know how to put the users in,
10 but I'm not going to put them in for you because I want
11 to get you upset enough to come to the Board and tell
12 them how much of a calamity this is."

13 I don't know that answer, but I will say
14 this. I've got two new student -- new site
15 administrators. School has been in session for two weeks
16 with us. Two weeks, we've been in session. We started
17 earlier than the normal schools. And I just don't think
18 it's acceptable, and I almost think that I'm to the point
19 where I think it's a conscious decision. And those are
20 my comments.

21 CHAIR JOHNSON: Thank you, Mr. Hawk --
22 Dr. Hawk. Any public comments in the north?

23 MR. PELTIER: There is none.

24 CHAIR JOHNSON: All right. Then I will call
25 our meeting to adjourn at 2:21.

1 MEMBER GUINASSO: Mr. Chair, before we
2 adjourn, could you just comment on what we talked about
3 in the hall about getting materials in a timely manner?

4 CHAIR JOHNSON: Thank you, Member Guinasso.
5 So I would actually like to make just one quick comment
6 about the timeliness of materials being given to the
7 Authority staff and then subsequently given to us. We
8 really want to make sure that we're able to be as fully
9 prepared as possible, and getting materials two days
10 before meetings, 300 pages worth of reading, I'm sure you
11 haven't had time to internalize it fully. It makes it
12 very difficult for us and for us to make very important
13 decisions on those things.

14 So I don't know how that information can get
15 relayed to our schools about the timeliness of their
16 submission of your requested documents, but it has to be
17 -- we have to have a better process in place so that we
18 can have things at least five business days ahead of time
19 given -- at least the amount of time that we send out the
20 agenda, we have full documentation ready for us to be
21 able to read a review. I don't know if anybody else has
22 any thoughts on that.

23 MEMBER SNOW: Yes, Mr. Chairman. I've
24 discussed that with Patrick, and I agree with you and
25 would like to request that we have a future agenda item

1 brought to the Board so that we can discuss what process
2 we need to put in place so that we can one, I think serve
3 our clientele better and that we as the Board members can
4 be better prepared. And I can't make a motion, but
5 that's just my thought.

6 CHAIR JOHNSON: Member Guinasso?

7 MEMBER GUINASSO: Yeah. I agree with
8 everything that was just said. It would be helpful to
9 have that information sooner. And if not, I mean,
10 ultimately, I'll be really liberal in tabling things or
11 moving them to make them come up in the next -- if I
12 haven't had time to sufficiently review the documents so
13 that I make a competent decision, then my motion will
14 likely be something to the effect of, "Can we please
15 table this to the next regularly scheduled meeting
16 because I haven't had time to review the documents
17 submitted."

18 EXECUTIVE DIRECTOR GAVIN: I would note
19 especially if the item is still incomplete, and yet
20 people are asking us to work on it or we're getting stuff
21 over the trans the day before, I think all three of these
22 suggestions makes sense. I do think it needs to be a
23 future agenda item so the Board can talk about this.

24 I think the strategy Member Guinasso has just
25 referenced may ultimately be the most effective one as a

1 means of saying -- using the Board's discretion versus
2 prescribing something that people ultimately argue is
3 regulation, but essentially, "We really need this, and we
4 may not be able to work with it if we get it afterwards,"
5 and again being very liberal and saying, "I didn't read
6 this because it was too darn late and I'm not prepared to
7 vote on it yet."

8 CHAIR JOHNSON: So whether it's an agenda
9 item or we have to do something different, but we just
10 have to make sure that both sides are getting information
11 in a timely fashion. Any other discussions? All right.
12 Then we will now adjourn at 2:24. Thank you all.

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

That on the 26th day of August, 2016, I was present at said hearing for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 192, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Carson City, Nevada, this 1st day of September, 2016.

NICOLE HANSEN, NV CCR #446