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RENEWED CHARTER CONTRACT

between

Nevada State Public Charter School Authority

and

Nevada State High School – Meadowwood

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RENEWED CHARTER CONTRACT

This agreement constitutes a Renewed Charter Contract (the "Renewed Charter Contract") executed between the **Nevada State Public Charter School Authority** (the "Authority"), and **Nevada State High School - Meadowwood** (the "Charter School" and collectively, "the Parties"), to establish and operate the **Nevada State High School - Meadowwood** Charter School, an independent and autonomous public school authorized to operate in the State of Nevada.

RECITALS

WHEREAS, the primary consideration of the Legislature in enacting legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk; and

WHEREAS, the intention of the Legislature is to provide:

1. A method to experiment with providing a variety of independent public schools to the pupils of this state;
2. A framework for such experimentation;
3. A mechanism by which the results achieved by charter schools may be measured and analyzed; and
4. A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated; and

WHEREAS, it is further the intention of the Legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

1. Improve the learning of pupils and, by extension, improve the system of public education;
2. Increase the opportunities for learning and access to quality education by pupils;
3. Encourage the use of different and innovative teaching methods;
4. Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
5. Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
6. Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the

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program of learning offered;"

WHEREAS, the Authority is authorized by the Legislature to sponsor charter schools pursuant to NRS 388A.150; and

WHEREAS, on January 27, 2016 the Authority conditionally approved the application for a Charter Contract pursuant to NRS 388A.255; and

WHEREAS, on December 3, 2021 the Authority approved the renewal application with a seven-year term, beginning in July 1, 2022 and the enrollment caps as outlined herein pursuant to NRS 388A.285; and

WHEREAS, the Parties intend that this Renewed Charter Contract serve as a performance contract that governs the operation of the Charter School;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Charter School agree as follows:

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Part I: Operation of the School

1.1 Establishment

1.1.1 As authorized by the Nevada Revised Statute (NRS) 388A.150, the Authority hereby authorizes the operation of the Charter School with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Renewed Charter Contract.

1.1.2 This Renewed Charter Contract is entered into between the Charter School's governing body (the "Charter Board") and the Authority.

1.2 Parties

1.2.1 The person authorized to sign this Renewed Charter Contract on behalf of the Charter School is the President or Chair of the Charter Board ("Charter School Representative").

1.2.2 The person authorized to sign on behalf of the Authority is the Chair of the Authority or, in the absence of the Chair, the Vice Chair.

1.2.3 The Charter School Representative affirms as a condition of this Renewed Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Renewed Charter Contract on behalf of the Charter School.

1.3 Term of Renewed Charter Contract

1.3.1 The Term of this Renewed Charter Contract shall be 7 years.

1.3.2 This Renewed Charter Contract is effective upon execution, and the term of the original Charter Contract begins July 1, 2022, and this Renewed Charter Contract will terminate on June 30, 2029, unless earlier terminated as provided herein.

1.4 General

1.4.1 The Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provision of chapter 82 of NRS.

1.4.2 The Charter School certifies that all contracts obligating the Charter School have been and will be undertaken by the Charter School in accordance with statute and regulation.

1.4.3 The Charter School and its Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authority policies applicable to charter schools.

1.4.4 The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation

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requirements, except to the extent such provisions are inapplicable to charter schools.

1.4.5 Pursuant to NRS 388A.159, the Local Education Agency of the Charter School is the Authority.

1.5 Charter School Governing Body

1.5.1 The Charter School shall be governed by the Charter Board, and deemed a public body, in a manner that is consistent with the terms of this Renewed Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 388A.320)

1.5.2 The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Renewed Charter Contract.

1.5.3 The Charter Board shall be the final authority in matters affecting the Charter School, including but not limited to staffing, job titles, employee salary and benefits, financial accountability and curriculum.

1.5.4 The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law, Public Records Act, and Nevada Local Government Purchasing laws (NRS 332.039-.148)

1.5.5 The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:

1.5.5.1 Articles of Incorporation and Bylaws. The articles of incorporation, if applicable, and bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation and this Renewed Charter Contract. The articles of incorporation, if applicable, are set forth in Exhibit #2 (initially or as amended, the "Articles of Incorporation") and incorporated herein by reference. The Charter School shall notify the sponsor of changes to the bylaws or Articles of Incorporation.

1.5.5.2 Composition. The composition of the Charter Board shall at all times be determined by and consistent with the articles of incorporation, if applicable, and bylaws and all applicable law and regulation. The complete roster of the Charter Board and each member's affidavit, resume, and Request for Information shall be maintained in the Authority's established document library (Epicenter). The Charter Board shall notify the Authority of any changes to the Board Roster and submit an amended Board Roster to the documents library within ten (10) business days of their taking effect.

1.5.5.3 Affiliation. Notwithstanding any provision to the contrary in this Renewed

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Charter Contract, the Articles of Incorporation, if applicable, or the bylaws, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity, with the exception of the Charter School itself, regardless of whether said entity is affiliated or otherwise partnered with the Charter School. (NAC 388A.525)

1.5.5.4 Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the "Conflicts of Interest Policy"), including provisions related to nepotism and consistent with this section and applicable law by January 1 of the Charter School's first year of operation . The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The adopted and approved Conflicts of Interest Policy shall be maintained in the Authority's established document library (Epicenter). Any modification of the Conflicts of Interest Policy must be submitted to the Authority within five (5) days of approval by the Charter Board.

1.5.5.5 Non-Commingling. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authority.

1.6 Location(s)

1.6.1 The Charter School shall provide educational services, including, without limitation, delivery of instruction or conduct operations at the following location(s):

7530 Longley Ln, Ste 103 Reno, NV 89511

1.7 Facilities

1.7.1 The building(s) in which the Charter School is to be located shall be known as the Charter School Facilities (the "Facilities").

1.7.2 The Authority or its designee may, at the Authority's discretion, conduct health and safety inspections of the Facilities.

1.7.3 The Facilities shall meet all applicable health, safety and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools.

1.7.4 The Charter School's relocation to different Facilities shall constitute a material amendment of this Renewed Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

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1.7.5 In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Authority reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Renewed Charter Contract.

1.8 Charter School Independence

1.8.1 Neither the Authority nor the board of trustees of the local school district in which the Charter School is located may assign any pupil who is enrolled in a public school or any employee who is employed in a public school to the Charter School. Neither the Authority nor the local school district in which the Charter School is located may interfere with the operation and management of the Charter School except as authorized by NRS 388A.010-.695, inclusive, and any other statute or regulation applicable to the Charter School or its officers or employees.

1.8.2 The Charter School will be subject to review of its operations and finances by the Authority, including related records, when the Authority, in its sole discretion, deems such review necessary.

Part 2: School Operations

2.1 Open Meetings and Public Records

2.1.1 The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to public meetings and records.

2.2 Mission Statement

2.2.1 The Charter School's mission statement (initially or as amended, the "Mission Statement") shall be as presented in the approved Charter Application. Any change to the Mission Statement shall be a material amendment to this Renewed Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.3 Age; Grade Range; Number of Students

2.3.1 The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under this Renewed Charter Contract as outlined below:

School Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
NSHS Meadowwood							
Grade Levels	11-12	11-12	11-12	11-12	11-12	11-12	11-12
Enrollment	135	135	135	135	135	135	135

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The charter school may adjust the number of students served by up to and including 10% of the maximum enrollment established in this section.

2.3.2 The Charter School may modify the number of students in any particular grade, and number of students within a class, to accommodate staffing exigencies and attrition patterns provided such modifications are consistent with this Renewed Charter Contract.

2.3.3 Elimination of a grade level that the Charter School was scheduled to serve; expansion to serve grade levels not identified in 2.3.1; or an increase or decrease in total enrollment by more than 10% from the enrollment established in 2.3.1 shall be a material amendment of this Renewed Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance. It is the responsibility of the Charter School to request the material amendment required by this section 2.3.3 in a timely manner so as to manage the school's enrollment to comply with 2.3.3.

2.4 Non-discrimination

2.4.1 The Charter School shall not discriminate against any student, employee or other person on the basis of race, color, creed, ethnicity, national origin, gender, marital status, religion, ancestry, disability, sexual orientation, sex, gender identity or expression, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

2.5 Student Recruitment, Enrollment and Attendance

2.5.1 The Charter School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability, need for special education services or status as credit-deficient. In no event may the Charter School limit admission based on race, ethnicity, national origin, gender, disability, income level, athletic ability, status as credit-deficient or proficiency in the English language, except as authorized by NRS 388A.453(9).

2.5.2 The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 388A.160(5).

2.5.3 If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public.

2.5.4 Pursuant to NRS 388A.456, Charter School may give enrollment preference

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based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, Charter School shall comply therewith upon the effective date of the changes. Before the Charter School enrolls pupils who are eligible for enrollment, the Charter School may enroll a child who:

2.5.4.1 Is a sibling of a pupil currently enrolled;

2.5.4.2 Was enrolled in a tuition-free prekindergarten program at the Charter School or affiliated program with the Charter School;

2.5.4.3 Is a child of a person who is:

2.5.4.3.1 Employed by the Charter School;

2.5.4.3.2 A member of the Committee to Form the Charter School; or

2.5.4.3.3 A member of the Charter Board;

2.5.4.4 Is in a particular category of at-risk and the child meets the eligibility requirements prescribed by the Charter School for that particular category; or

2.5.4.5 Resides within the school district and within two (2) miles of the Charter School if the Charter School is located in an area that the Authority determines includes a high percentage of children who are at-risk.

2.5.5 Pursuant to Section 12 of Regulation R131-16, Charter School may develop and use a weighted lottery for admission that gives preference to one or more categories of pupils if the weighting is

2.5.5.1 Necessary to comply with Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d et seq.; Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681 et seq.; section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Equal Protection Clause of the United States Constitution or any applicable federal or state law or to address the specific deficiency and category of pupils outlined in a court order issued to the charter school or its sponsor; or

2.5.5.2 In favor of one of the following subgroups of educationally disadvantaged pupils:

2.5.5.2.1 Pupils who are economically disadvantaged;

2.5.5.2.2 Pupils with disabilities;

2.5.5.2.3 Migrant pupils;

2.5.5.2.4 Pupils with limited English proficiency;

2.5.5.2.5 Pupils who are neglected or delinquent;

2.5.5.2.6 Pupils who are homeless; and

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2.5.5.2.7 Pupils whose most recent enrollment was in a public school which received an annual rating established as one of the two lowest ratings possible indicating underperformance at the elementary, middle or high school level pursuant to the statewide system of accountability for public schools.

2.6 Tuition, Fees and Volunteer Requirements

2.6.1 The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a Nevada school district would be prohibited by applicable law or regulation from imposing.

2.6.2 Nothing in this section shall be interpreted to prohibit the Charter School from imposing fees that a school district would be permitted to impose.

2.6.3 Any requirement that a parent commit to a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.

2.7 School Calendar; Hours of Operation

2.7.1 The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 388A.366)

2.8 Student Conduct and Discipline

2.8.1 The Charter School shall adopt and adhere to a student discipline policy (the "Discipline Policy") pursuant to NRS 388A.495 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent's wishes for reasons other than the reasons for suspension or expulsion stated in NRS 392.4655 – 392.4675 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.

2.9 Service Agreements, Contracts, Facility Lease or Purchase

2.9.1 Nothing in this Charter shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.

2.9.2 The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter

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School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Authority, or the Department of Education.

2.10 Contracts with an Educational Management Organization (EMO) or Charter Management Organization (CMO)

2.10.1 The provisions appearing under 2.10 apply to contracts with an EMO or a CMO.

2.10.2 Should the Charter School intend to enter into an agreement with an EMO as defined by NRS 388A.393, the following provisions shall apply:

2.10.2.1 The Charter School shall comply with all Authority requests for information about the EMO that are reasonably related to the Authority's duty to ensure that the Charter School is in compliance with all provisions of this Renewed Charter Contract and NRS 388A.393; and NAC 388A.570, 388A.580, 388A.585, 388A.160, and 388A.175 or other applicable statute and regulation.

2.10.3 Should the charter school intend to enter into an agreement with an EMO or CMO, the following provisions shall apply:

2.10.3.1 In no event shall the Charter Board delegate or assign its responsibility for fulfilling the terms of this Renewed Charter Contract.

2.10.3.2 Any management contract entered into by Charter School shall include an indemnification provision for the Charter School as follows: "The management company shall indemnify, save and hold harmless against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including but not limited to attorneys' fees and/or litigation expenses, including but not limited to injury to property or persons (including but not limited to civil rights violations), occurring or allegedly occurring, in connection with the operation of the management company, or from conduct committed or alleged to have been committed by the management company on the premises of the Charter School, or from conduct committed by the management company's employees, officers, directors, subcontractors, or agents, during the term of this Renewed Charter Contract or any renewal thereof. Additionally, the management company shall defend the Authority in any such action or proceedings brought thereon. This provision shall survive the termination of this contract."

2.10.3.3 Should the Charter School propose to enter into a contract with an EMO or CMO, the Charter School agrees to submit all information requested by Authority regarding the management arrangement, including a copy of the proposed contract and a description of the EMO or CMO, with identification

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of its principals and their backgrounds. Entering into a contract with an EMO or CMO when an EMO or CMO was not previously engaged, terminating a contract with an existing EMO or CMO, or replacing an existing EMO or CMO with another EMO or CMO is considered a material amendment of the Renewed Charter Contract and the Charter School shall not enter into or terminate such contracts without written Authority approval.

2.10.3.4 Renewal or renegotiation of an existing contract with an EMO or CMO requires the Charter School to notify the sponsor, only, and is not considered a material amendment.

2.11 Employment Matters

2.11.1 All employees of the Charter School shall be deemed public employees.

2.11.2 The Charter School agrees to comply with the provisions of NRS 388A.530-544 regarding employment status and NRS 388A.518-524 regarding teacher licensure.

2.11.3 Neither the Charter School, nor its employees, agents, nor contractors are employees or agents of the Authority; nor are either the Authority or its employees, agents, or contractors employees or agents of the Charter School. None of the provisions of this Renewed Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Renewed Charter Contract.

2.11.4 The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO. The Charter School will establish and implement its own dispute resolution process for employment matters.

2.11.5 The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state. (NRS 388A.524)

2.11.6 An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees Retirement System in a manner consistent with NRS 388A.518-524.

2.11.7 The Charter School shall conduct criminal background checks and act in accordance with NRS 388A.515.

2.11.8 The Charter School shall maintain employee files as identified in the Operations Manual, which are subject to audit by the Authority or other appropriate entity.

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2.11.9 If the Charter School receives Title I funding, it must ensure that 100% of teachers in core academic subjects are Highly Qualified (as defined in the Elementary and Secondary Education Act) or are working pursuant to a plan to achieve Highly Qualified status.

2.12 Student Health, Welfare and Safety

2.12.1 The Charter School shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety, including but not limited to state laws regarding the reporting of child abuse, accident prevention and disaster response, and any applicable state and local regulations governing the operation of school facilities.

2.13 Transportation

2.13.1 If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Application on file with the SPCSA and incorporated herein.

2.13.2 The termination, addition, or change of transportation shall constitute a material amendment of this Renewed Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

Part 3: Educational Program

3.1 Design Elements

3.1.1 The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the charter school performance framework (the "Charter School Performance Framework"), attached hereto as Exhibit #1 and incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Application and this Renewed Charter Contract.

3.1.2 In determining whether or not the Charter School complies with the essential terms of the educational program, the Authority will use the Charter Application (initial or as amended) as the basis to assess fidelity.

3.2 Curriculum

3.2.1 The Charter School's educational program shall meet or exceed Nevada's content standards.

3.3 Student Assessment

3.3.1 The Charter School shall be subject to and comply with all requirements related to the state assessment and accountability system for public schools.

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3.3.2 Nothing in this section prohibits the Charter School or the Authority from assessing student learning outside of and in addition to the state's testing program.

3.3.3 Educational program matters not specifically identified in this Renewed Charter Contract shall remain within the Charter School's authority and discretion.

3.4 Special Education

3.4.1 The Authority is the "local education agency" ("LEA") for purposes of compliance with the Individuals with Disabilities Education Act ("IDEA").

3.4.2 The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program ("IEP") prescribed by a student's IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities.

3.4.3 An annual Memorandum of Understanding which defines the rights and responsibilities of the Charter School acting as a school of the LEA and the Authority acting as LEA will be annually updated and disseminated by the Authority and signed by the Parties.

3.4.4 The Charter School shall maintain a special education reserve as a financial reserve or demonstrate, to the Authority's satisfaction, that the Charter School carries an insurance policy with sufficient coverage to ensure compliance with the indemnification and financial obligations of the Charter School. Such reserve or insurance product shall not in any way limit the Charter School's obligation in the event the special education reserve or insurance product is insufficient to fully pay costs incurred in connection with any claim or claims, and the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep any special education reserve separate from and not utilize it to satisfy any other requirements applicable to the Charter School. Any special education reserve shall be maintained in a separate bank account and shall be equal to $25,000 plus the interest that has been earned in this account to date. The Charter School shall fully fund any reserve account by the end of its fifth year of operation and contribute to it in a manner that can reasonably be

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expected to reach this goal. If money is withdrawn from the reserve account, unless otherwise agreed to in writing by the Authority, the Charter School shall be required to replace all sums withdrawn by the end of the subsequent fiscal year.

3.5 English Language Learners

3.5.1 The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable laws and regulations. The Authority and the Charter School will work to assure compliance with any and all requirements of the state and federal law regarding services to English language learners.

Part 4: Charter School Finance

4.1 Financial Management

4.1.1 The Charter School shall control and be responsible for the financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.

4.1.2 At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls, including without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law.

4.1.3 The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authority in written form in accordance with the date established by law and regulation and identified in the Reporting Requirements Manual. The Charter School shall pay for the audit.

4.1.4 The Charter School shall prepare quarterly financial reports for the Authority in compliance with this Renewed Charter Contract. Such reports shall be submitted to the Authority no later than fifteen (15) days following the end of

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each quarter, as defined in the Reporting Requirements Manual.

4.1.5 The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the Nevada Department of Education (the "Department") and/or Authority and to make such records available upon request.

4.1.6 The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.

4.1.7 The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.

4.1.8 The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.

4.1.9 Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall perform a physical inventory annually. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Renewed Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation, including without limitation NAC 387.335, 387.342 and 387.360; and NRS 388A306.

4.1.10 If the Charter School's records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.

4.1.11 Except as may be expressly provided in this Renewed Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Authority pursuant to NRS 388A.381, or as may be required by law, neither the Charter School nor the Authority shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authority and the Charter School shall be subject to all terms and conditions of this Renewed Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the Charter School and the Authority or required by law, shall not be a condition of the approval or continuation of this contract.

4.1.12 The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances,

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budgeting, accounting, and expenditures, provided that the Authority shall provide technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.

4.1.13 The Charter School is solely responsible for all debt it incurs, and the Authority shall not be contractually bound on the Charter School's account to any third party. A statement to this effect shall be a provision of any and all contracts entered into by the Charter School.

4.2 Budget

4.2.1 In accordance with law and regulation and as identified in the Reporting Requirements Manual, the Charter School shall submit to the Department and the Authority the school's tentative budget for the upcoming fiscal year and the Charter School shall submit to the Department and the Authority the school's final budget for the upcoming fiscal year. The budget shall:

4.2.1.1 Be presented on forms prescribed by the Nevada Department of Taxation; and

4.2.1.2 Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

4.3 Charter School Funding

4.3.1 Charter School shall receive, directly from the Department, state and local aid in an amount equal to its weighted count of enrollment multiplied by the per pupil Distributive School Account amount for the county of residence of each student plus the per pupil Outside Revenue amount for that county. The count of pupils for calculating the basic support for distribution to a charter school is the "Average daily enrollment" as defined by NRS 387.1211.

4.3.2 The Charter School shall maintain and transmit all necessary student information in the format prescribed by the Department to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the Department, based on "Average daily enrollment" as defined by NRS 387.1211.

4.3.3 The Charter School shall receive state aid payments quarterly unless the quarterly payments exceed $500,000 at which time the Department will pay state aid in monthly installments directly to the Charter School.

4.3.4 All state aid payments to the Charter School are subject to correction pending the outcome of the Department's annual Pupil Enrollment and Attendance Audit.

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4.4 Authority Funding

4.4.1 The yearly sponsorship fee to be paid by the Charter School to the Authority must be in an amount of money not to exceed two (2) percent but at least one (1) percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124. (NRS 388A.414)

4.4.2 The Authority shall notify the Charter School in February of the fee anticipated to be charged pursuant to NRS 388A.414 in the following fiscal year.

Part 5: Insurance and Legal Liabilities

5.1 Insurance

5.1.1 The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NAC 388A.190, necessary for the operation of the school, including but not limited to, property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the Charter School and its employees. Should the State legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within thirty (30) days of receiving notice by the Authority of such change. The Authority shall be named as additional insured under all insurance policies identified under NAC 388A.190.

5.2 Liability

5.2.1 As required by NRS 388A.366, the Charter School agrees that the Authority is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Authority, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.

5.2.2 If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Authority may be held liable for any claims resulting from the bankruptcy pursuant to NRS 388A.366.

Part 6: Transparency and Accountability

6.1 Charter School Reporting

6.1.1 The Authority shall provide the Charter School with a Reporting Requirements Manual on or before the commencement of the contract year and updated at least annually. The Authority shall endeavor to make the Reporting

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Requirements Manual as complete as possible. The Charter School shall be responsible for submitting timely and complete reports in accordance with the Reporting Requirements Manual.

6.1.2 The Authority shall provide the Charter School with an Operations Manual on or before the commencement of the contract year and updated at least annually.

6.2 Additional Reporting

6.2.1 The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements.

6.3 Authority Reporting

6.3.1 The Authority shall produce and make available reports to the Charter School in a manner consistent with the Reporting Requirements Manual.

Part 7: Oversight

7.1 Authority

7.1.1 Pursuant to NRS 388A.150, the Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with this Renewed Charter Contract, the Charter Application, and applicable law and regulation. The Authority's oversight of the Charter School shall include, but not be limited to, the following activities:

7.1.1.1 Oversight, intervention, termination, renewal, and closure processes and procedures for the Charter School;

7.1.1.2 Reviewing the performance and compliance of the Charter School within the terms of this Renewed Charter Contract and applicable laws, policies and regulations;

7.1.1.3 Ensuring the Charter School's compliance with reporting requirements;

7.1.1.4 Monitoring the educational, legal, fiscal, and organizational condition of the Charter School; and

7.1.1.5 Providing guidance to the Charter School on compliance and other operational matters.

7.2 Inspection

7.2.1 All records established and maintained in accordance with the provisions of this Renewed Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Authority and other applicable agencies, entities, or individuals within a reasonable period of time after request is made.

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7.3 Site Visits and Evaluations

7.3.1 The Authority may, at its discretion, conduct site visits to provide monitoring, support and technical assistance.

7.3.2 The Authority may, at its discretion, conduct formal, targeted school evaluations. Such evaluations may include any activities reasonably related to fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and interviews of school and other stakeholders.

7.3.3 Pursuant to Section 6 of Assembly Bill 462 of the 2019 Nevada Legislative Session, the Authority shall conduct a Site Evaluation of each campus of a charter school during the first, third and fifth years after entering into or renewing a contract.

7.4 Notification

7.4.1 The Charter School shall notify the Authority immediately of any conditions that it knows are likely to cause it to violate the terms of this Renewed Charter Contract or the Charter Application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.

7.4.2 The Charter School shall notify the Authority immediately of any circumstances requiring the closure of the Charter School, including but not limited to natural disaster, other extraordinary emergency, or destruction of or damage to the school facility.

7.4.3 The Charter School shall immediately notify the Authority of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.

7.4.4 The Charter School shall notify the Authority immediately of any change to its corporate legal status.

7.4.5 The Charter School shall notify the Authority immediately of any default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more.

7.4.6 The Charter School shall notify the Authority immediately if at any time the Charter School receives notice or is informed that the Charter School or the Authority are parties to a legal suit.

7.5 Intervention

7.5.1 Consistent with any oversight practices set out in the Charter School

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Performance Framework, the Authority shall follow a system of notification and calls for corrective action on the part of the Charter School.

7.5.2 Any complaints or concerns received by the Authority about the Charter School or its operation including but not limited to complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission, shall be forwarded promptly by the Authority to the Charter School.

7.5.3 The Charter School shall promptly forward to the Authority any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or concerns.

7.5.4 The Charter School shall indemnify the Authority for any costs, attorney fees, and/or financial penalties imposed on the Authority by state and/or federal authorities due to actions or omissions of the Charter School relative to regulatory compliance.

7.5.5 To the extent that concerns or complaints received by the Authority about the Charter School may trigger Authority intervention, including termination or non-renewal of this Renewed Charter Contract, the Authority may monitor the Charter School's handling of such concerns or complaints. In such cases, the Authority may request, and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

Part 8: Termination and Default Termination

8.1 Termination

8.1.1 As provided by law, this Renewed Charter Contract may at any time be terminated by the Authority before its expiration upon determination and majority vote of the Authority that the Charter School, its officers or its employees:

8.1.1.1 Committed a material breach of the terms and conditions of the Renewed Charter Contract;

8.1.1.2 Failed to comply with generally accepted standards of fiscal management;

8.1.1.3 Failed to comply with the provisions of NRS 388A.010 to 388A.695, inclusive, or any other statute or regulation applicable to charter schools; or

8.1.1.4 Persistently underperformed, as measured by the performance indicators,

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measures and metrics set forth in the Charter School Performance Framework for the Charter School.

8.1.2 This Renewed Charter Contract may be terminated by the Authority if the Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate.

8.1.3 This Renewed Charter Contract may be terminated by the Authority if the Authority determines that termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located.

8.1.4 The Renewed Charter Contract may be terminated by the Authority if the Authority determines that the committee to form the charter school or charter management organization, as applicable, or any member of the committee to form the charter school or charter management organization, as applicable, or the governing body of the charter school has at any time made a material misrepresentation or omission concerning any information disclosed to the Authority

8.1.5 This Renewed Charter Contract may be terminated by the Authority if the Authority determines that the charter school operates a high school that has a graduation rate for the immediately preceding school year that is less than 60 percent;

8.1.6 This Renewed Charter Contract may be terminated by the Authority if the Authority determines that the charter school operates an elementary or middle school or junior high school that is rated in the lowest 5 percent of elementary schools, middle schools or junior high schools in the State in pupil achievement and school performance, as determined by the Department pursuant to the statewide system of accountability for public schools; or

8.1.7 This Renewed Charter Contract may be terminated by the Authority if the Authority determines that pupil achievement and school performance at the charter school is unsatisfactory as determined by the Department pursuant to criteria prescribed by regulation by the Department to measure the performance of any public school.

8.1.8 In any instance of termination, the Authority shall provide to the Charter School written notice of termination, which notice shall include its findings and reasons for such action and adhere to the process outlined in NRS 388A.330.

8.2 Default Termination

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8.2.1 The Authority shall terminate this Renewed Charter Contract if the school receives in any period of 5 consecutive school years, three annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. The charter school's annual rating pursuant to the statewide system of accountability based upon the performance of the charter school for any school year before the 2015-2016 school year must not be included in the count of annual ratings for the purposes of this subsection.

8.3 Other Remedies

8.3.1 The Authority may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

Part 9: Closure

9.1 Closure

9.1.1 In the event that the Charter School is required to cease operation for any reason, including but not limited to non-renewal, termination, or voluntary surrender of the Renewed Charter Contract, the Charter School shall cooperate fully with the Authority to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation (NRS 388A.306), including, but not limited to:

9.1.1.1 Securing student records; assisting students with their enrollment in other schools; financial responsibilities and preserving financial records.

Part 10: Dispute Resolution

10.1 Dispute Resolution

10.1.1 Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a "dispute" is a disagreement over a non-material matter concerning the operation of the charter school. In the event a dispute arises between the Charter School and the Authority or its staff, the charter school shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Authority or his/her designee for review. The Director will respond to the complaint and proposed resolution, in writing, within thirty (30) calendar days outlining whether or not he/she agrees with the complaint and whether he/she accepts the proposed resolution or offers an alternative resolution to the complaint. If the charter school is not satisfied with the response from the Director, it may request, in writing, a review by the President of the Authority. The President of the Authority will respond, in writing, within fifteen (15) calendar days stating

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whether or not he/she agrees with the complaint and if so, whether he/she agrees with the proposed resolution, or proposing an alternative resolution to the charter school. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the Authority at the next available meeting for its consideration. The Authority will decide whether or not it agrees with the complaint or any proposed resolution. Any decision by the Authority is final.

Part 11: School Performance Standards and Review

11.1 Performance Standards

11.1.1 The Charter School Performance Framework is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational and mission specific, if applicable, performance of the Charter School. Pursuant to NRS 388A.273, the performance framework is incorporated into this Renewed Charter Contract as set forth in the Charter School Performance Framework attached hereto as Exhibit #1.

11.1.1.1 The Authority may, upon request for a material amendment from the Charter Board, include additional rigorous, valid and reliable performance indicators that are specific to the Mission of the Charter School and complementary to the existing measures.

11.1.1.2 The Charter School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the approved Charter Application and not explicitly incorporated into the Charter School Performance Framework. The specific terms, form and requirements of the Charter School Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authority and will be binding on the Charter School.

11.1.1.3 The Authority may make modifications and changes to the Charter School Performance Framework so long as Charter School and members of the public have the opportunity to provide comment through public meetings subject to NRS 241.

11.1.2 According to the Charter School Performance Framework, the Charter School shall annually:

11.1.2.1 Meet or exceed standards on the academic indicators;

11.1.2.2 Demonstrate financial sustainability through meeting standards on the financial indicators;

11.1.2.3 Operate in compliance with the terms and conditions of this

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Renewed Charter Contract; and

11.1.2.4 If applicable, demonstrate sound performance on mission specific indicators.

11.2 Review

11.2.1 The Authority shall monitor and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Charter School Performance Framework. Such reporting shall take place at least annually.

11.2.2 The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Charter School Performance Framework shall provide the basis upon which the Authority will decide whether to renew this Renewed Charter Contract at the end of the term.

11.2.3 The Parties intend that, where this Renewed Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Charter School Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Charter School Performance Framework as initially established in the Renewed Charter Contract.

11.2.4 While both parties acknowledge that importance of the Charter School Performance Framework, and the Authority's obligation to consider the Charter Schools performance under the Charter School Performance Framework in any decision that results in reconstitution, revocation, or termination of the Renewed Charter Contract, the parties also acknowledge that the Authority may reconstitute the board, revoke the charter, or terminate the Renewed Charter Contract prior to its expiration of a school with acceptable performance under the Charter School Performance Framework if allowed by NRS 388A.330.

Part 12: Contract Construction

12.1 Entire Renewed Charter Contract

12.1.1 The Parties intend this Renewed Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Renewed Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this

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document. The Parties recognize that amendments to this Renewed Charter Contract may be approved from time to time hereafter.

12.2 Authority

12.2.1 The individual officers, agents and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Renewed Charter Contract.

12.3 Notice

12.3.1 Any notice required, or permitted, under this Renewed Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

In the case of State Public Charter School Authority:

Executive Director
2080 E. Flamingo Rd, Ste 230
Las Vegas, NV 89119

In the case of Charter School:

Nevada State High School - Meadowwood
Board President
233 N. Stephanie St.
Henderson, NV 89074

12.4 Waiver

12.4.1 The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

12.5 Non-Assignment

12.5.1 Neither party to this Renewed Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Renewed Charter Contract unless the other party agrees in writing to any such assignment.

12.6 Applicable Law

12.6.1 This Renewed Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation and Authority policy, and all applicable federal laws of the United States.

12.6.2 The Parties intend that, where this Renewed Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

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12.7 Material Amendments

12.7.1.1 Material amendments require Authority approval. Pursuant to NRS 388A.231- 360 any material amendment to this Renewed Charter Contract will be effective only if approved in writing by the Authority. The proposed amendment must be submitted in a manner consistent with applicable law and regulation and defined in the Operations Manual. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Renewed Charter Contract include, but are not limited to, the Change in the Charter School's location (change of site and/or adding or deleting sites) (see 1.7.4);

12.7.1.2 Changes to the Mission Statement (see 2.2.1);

12.7.1.3 Elimination of a grade level served or expansion to serve a grade level not served (see 2.3.3);

12.7.1.4 Increasing or decreasing the enrollment beyond the established enrollment cap by more than 10% pursuant to 2.3.3 of this Renewed Charter Contract;

12.7.1.5 Changes to the name of the Charter School;

12.7.1.6 Entering into a contract with an Educational Management Organization or terminating a contract with an Educational Management Organization pursuant to 2.10.2.4 of this Renewed Charter Contract;

12.7.1.7 Entering into a contract with a Charter Management Organization or terminating a contract with a Charter Management Organization;

12.7.1.8 Changes to the Mission Specific indicators (see 11.1.1.1);

12.7.1.9 Changes to pupil transportation plans (see 2.13.2).

12.8 Non-Material Change - Notification Required

12.8.1 Changes to this Renewed Charter Contract listed below do not require amendment as described in NRS 388A.231-360; rather, such changes shall be accomplished through written notification. Changes requiring notification include, but are not limited to:

12.8.1.1 Mailing address, phone and fax number of the Charter School;

12.8.1.2 Changes in the lead administrator of the Charter School;

12.8.1.3 Changes in the composition of the Charter Board (see 1.5.5.2);

12.8.1.4 Changes to the Bylaws and/or Articles of Incorporation (see 1.5.5.1); and

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12.9 Other Changes – Determination as Material or Non-Material, Requiring Notification or Not.

12.9.1 The Charter School may, from time to time, contemplate a change to the Charter School that is not identified within this Renewed Charter Contract as a Material Amendment or as a Non-Material Change that requires notification. In such an event, the Charter School is obligated to request, in writing, the determination of the Authority as to whether or not such a change requires a Material Amendment (12.7) or Notification (12.8).

12.10 Severability

12.10.1 The provisions of this Renewed Charter Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Renewed Charter Contract shall remain in effect unless otherwise terminated by one or both of the Parties.

12.11 Third Parties

12.11.1 This Renewed Charter Contract shall not create any rights in any third parties who have not entered into this Renewed Charter Contract; nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Renewed Charter Contract.

12.12 Counterparts; Signatures

12.12.1 This Renewed Charter Contract may be signed in counterparts, which shall together constitute the original Renewed Charter Contract. Signatures received by facsimile or email by either of the Parties shall have the same effect as original signatures.

12.13 Material Breach

12.13.1 A material breach is defined as a violation of this Renewed Charter Contract which is substantial and significant as determined by the Authority.

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Signature Page

IN WITNESS WHEREOF, the Parties have executed this Renewed Charter Contract:

DocuSigned by:
Matthew Fox
B916B055DCEF4AE...

President, Charter School Governing Body

Please print your name: Matthew Fox

Date: 2/22/2022

DocuSigned by:
Melissa Mackedon
F33A634730ED4C3...

Chair, State Public Charter School Authority

Please print your name: Melissa Mackedon

Date: 2/22/2022

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EXHIBIT #1: Charter School Performance Framework

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Nevada State Public Charter School Authority

Academic Performance Framework Technical Guide 2020-2021 School Year

November 2021

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Note on the 2020-21 Academic Performance Framework

Due to COVID-19, the Nevada Department of Education (NDE) applied for and was granted a 2020-21 school year waiver from the U.S. Department of Education for certain accountability, school identification, and reporting requirements established by the Every Student Succeeds Act (ESSA). Accordingly, for the 2020-21 school year, Nevada statewide assessments were administered but the NDE did not calculate new Nevada School Performance Framework (NSPF) school ratings.

Because an NSPF rating is required to receive a Nevada State Public Charter School Authority (SPCSA) Academic Performance Framework (Framework) rating, the SPCSA is not issuing Framework ratings for the 2020-21 school year. Additionally, various Framework Indicators and Measures that utilize the NSPF (i.e., the NSPF and Geographical Comparisons Indicators) cannot be calculated or reported. However, because some relevant state assessments were administered in the 2019-20 (ACT) and 2020-21 (Smarter Balanced, ACT) school years, available assessment data are reported in the non-point-earning School Progress Indicator. The SPCSA is providing schools and the Authority with partial Framework reports based on the data that are available—specifically, enrollment data under the Enrollment Diversity Indicator and assessment data under the School Progress Indicator. Due to the lack of complete information, data within the 2020-21 Framework are for informational purposes only.

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Overview of the Nevada State Public Charter School Authority

Created in 2011, the Nevada State Public Charter School Authority (SPCSA) is a governmental agency of the State of Nevada and the statewide charter school sponsor. The SPCSA authorizes public charter schools across the state and is responsible for oversight and monitoring of those schools, ensuring positive academic outcomes for students and strong stewardship of public dollars.

The SPCSA Academic Performance Framework

Framework Purpose

Nevada Revised Statute (NRS) 388A.273 requires each charter school sponsor to adopt a performance framework that must be incorporated in a charter contract to include academic, finance, and organization components. Accordingly, the SPCSA has established Academic, Financial, and Organizational Frameworks. Per statute, the academic component of the framework must address charter school: (1) academic achievement and proficiency, including academic growth; (2) disparities in academic achievement and proficiency; and (3) graduation rates as well as college and career readiness (where relevant). The Academic Performance Framework (Framework) meets these requirements and provides charter school boards and leaders, as well as the public, with clear expectations, fact-based oversight, and timely feedback while ensuring charter autonomy.

Framework History

The current version of the Framework was designed by SPCSA staff during 2019 and early 2020 with significant stakeholder input from SPCSA charter school leaders and the Nevada Department of Education (NDE) Accountability team. The first iteration of the Framework (for the 2018-19 school year) was informational only and released to school leaders in March 2020. For the 2019-20 school year, the Framework report design was updated; notably, due to COVID-19 and a lack of Nevada School Performance Framework (NSPF) school star ratings, schools did not receive an overall 2019-20 Framework rating. A similar lack of NSPF ratings in the 2020-21 school year again prohibited publication of overall 2020-21 Framework ratings.

Framework Principles

The Framework is comprised of Measures categorized under Indicators. A school earns points based on their performance in the Measures, according to point attribution tables (PATs). Points earned for Measures are totaled under their respective Indicators, which are then summed to generate a final score worth a possible 100 points. This total Framework score corresponds to one of four academic performance levels: Exceeds Standard, Meets Standard, Does Not Meet Standard, or Below Standard. The table below outlines point ranges corresponding to these performance levels.

Score Range	Performance Level
≥80	Exceeds Standard
≥50 and <80	Meets Standard
≥20 and <50	Does Not Meet Standard
<20	Below Standard

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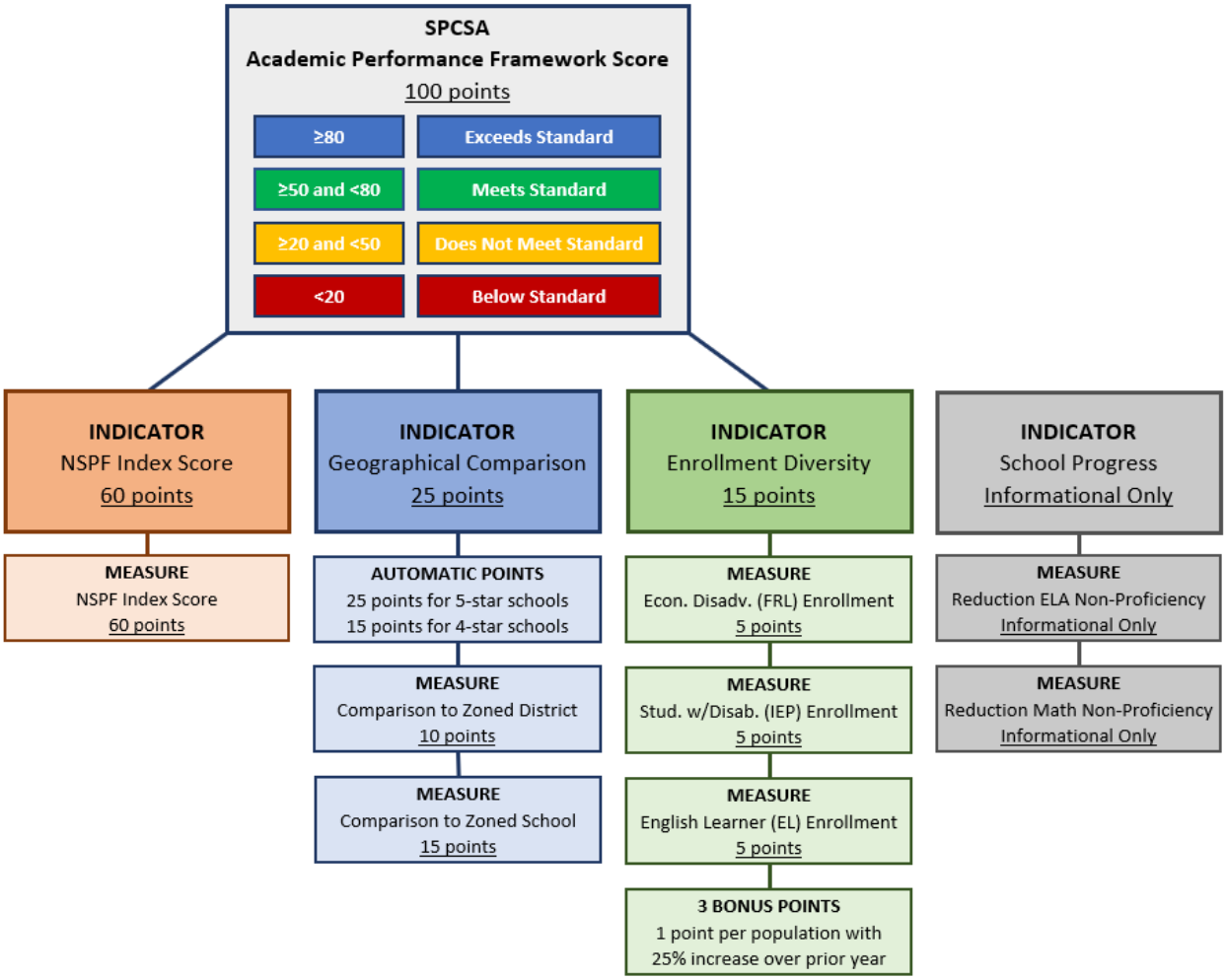
Importantly, a school must receive a star rating in the most recent Nevada School Performance Framework (NSPF) to receive a performance level rating in the Framework. As noted above, the SPCSA cannot issue Framework ratings for 2020-21 due to the lack of 2020-21 NSPF ratings.

Framework Overview

The Framework incorporates corresponding school year NSPF school ratings under the NSPF Index Score Indicator (60 points), as the NSPF includes key performance measures that address Framework requirements outlined in NRS 388A.273, such as academic achievement and proficiency, academic growth, English Learner (EL) growth, opportunity gaps, and graduation rates. The Framework also contains the Geographical Comparisons Indicator (25 points), which includes Measures that compare charter school NSPF performance to that of the zoned school and district (also known as a local education agency or LEA), as well as the Enrollment Diversity Indicator (15 points), which includes measures that compare charter school enrollment rates of economically disadvantaged students (FRL), students with disabilities (IEP), and English Learners (ELs) to its zoned LEA. The School Progress Indicator, which reflects reductions in Math and ELA non-proficiency, is currently informational only (i.e. does not earn points).

The graphic below provides an overview of the Framework.



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Framework Calculations and Reporting

The SPCSA does not round data. NSPF index scores are truncated by the NDE to one decimal place, and one decimal place is maintained throughout NSPF-related measures in the Framework. Enrollment rates for the Enrollment Diversity Measures are calculated and truncated to the tenth, and the rate differences between the charter and zoned LEA maintain one decimal place for (1) the purposes of associating the difference with the point-earning category on the point attribution table (PAT) and (2) display on the Framework reports. Non-proficiency rates under the School Progress Indicator are also calculated and truncated to the tenth for the purposes of reporting. As one example, a calculation resulting in a number such as 9.99 is truncated to 9.9 for both (1) awarding points and (2) reporting; it is not rounded to 10.

Framework Indicators and Measures

Nevada School Performance Framework (NSPF) Index Score Indicator: 60 points

Note: *This Indicator cannot be calculated for the 2020-21 Framework, due to the lack of 2020-21 NSPF star ratings and index scores.*

The NSPF Index Score Indicator contains one Measure of the same name. The number of points a school earns in this measure is 60% of their NSPF adjusted index score from the most recent NSPF ratings. For example, if a school's NSPF score was 90, the school would earn 90 * 0.6 = 54 points in this Measure. NSPF Indicator scores are calculated and truncated to one decimal place. Schools not rated in the most recent NSPF do not currently receive a Framework rating.

Below are measures included in the NSPF, by level. Points displayed are on the NSPF scale of 100 possible points and do not directly correspond to the SPCSA Academic Performance Framework. For more information on the NSPF, see the most recent NDE NSPF Procedures Manual or NSPF Technical Manual.

Elementary School NSPF Measures

INDICATOR/MEASURES	POINTS
Academic Achievement Indicator	**25**
Pooled Proficiency Measure	20
Read-by-Grade-3 Measure	5
Growth Indicator	**35**
Math Median Growth Percentile (MGP) Measure	10
ELA MGP Measure	10
Math Adequate Growth Percentile (AGP) Measure	7.5
ELA AGP Measure	7.5
English Language Proficiency Indicator	**10**
WIDA AGP Measure	10
Closing Opportunity Gaps Indicator	**20**
Math Closing Opportunity Gaps Measure	10
ELA Closing Opportunity Gaps Measure	10
Student Engagement Indicator	**10**
Chronic Absenteeism Measure	10

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Middle School NSPF Measures

INDICATOR/MEASURES	POINTS
Academic Achievement Indicator	**25**
Pooled Proficiency Measure	25
Growth Indicator	**30**
Math Median Growth Percentile (MGP) Measure	10
ELA MGP Measure	10
Math Adequate Growth Percentile (AGP) Measure	5
ELA AGP Measure	5
English Language Proficiency Indicator	**10**
WIDA AGP Measure	10
Closing Opportunity Gaps Indicator	**20**
Math Closing Opportunity Gaps Measure	10
ELA Closing Opportunity Gaps Measure	10
Student Engagement Indicator	**15**
Chronic Absenteeism Measure	10
Academic Learning Plans Measure	2
8th Grade Credit Requirements (NAC 389) Measure	3

High School NSPF Measures

INDICATOR/MEASURES	POINTS
Academic Achievement Indicator	**25**
Math Proficiency Measure	10
ELA Proficiency Measure	10
Science Proficiency Measure	5
Graduation Rates Indicator	**30**
4-year Adjusted Cohort Grad. Rate Measure	25
5-year Adjusted Cohort Grad. Rate Measure	5
English Language Proficiency Indicator	**10**
WIDA Adequate Growth Percentile (AGP) Measure	10
College and Career Readiness Indicator	**25**
Post-Secondary Preparation Participation Measure	10
Post-Secondary Preparation Completion Measure	10
Advanced/College Career Ready Diploma Measure	5
Student Engagement Indicator	**10**
Chronic Absenteeism Measure	5
9th Grade Credit Sufficiency Measure	5

Geographical Comparisons Indicator: 25 points

Note: *This Indicator cannot be calculated for the 2020-21 Framework, due to the lack of 2020-21 NSPF star ratings and index scores.*

The Geographical Comparisons Indicator contains two Measures that compare a charter school's NSPF performance to the NSPF performance of its zoned district and zoned school(s). A charter school that receives a 5-star rating in the most recent NSPF automatically earns 25 points in the Geographical Comparisons Indicator. In these cases, comparison results are calculated but not earned on top of the automatic points. A school that receives a 4-star rating in the most recent NSPF automatically earns 15 points. In these cases, the school receives the higher of the automatic points or comparison points.

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Comparison to Zoned District Measure: 10 points

Note: *This Measure cannot be calculated for the 2020-21 Framework, due to the lack of 2020-21 NSPF star ratings and index scores.*

This Measure compares a charter school's NSPF adjusted index score to that of its zoned district. For example, if a school is located in Las Vegas and serves students from Las Vegas, its zoned district is the Clark County School District.

The steps to calculate points for this Measure are as follows:

1. Find the zoned district/LEA for the charter school using the charter school's physical address.
    a. Exception: Certain schools (such as virtual schools) serve students from across the state. In this case, the zoned LEA is the state.
2. Find the difference between the charter school NSPF adjusted index score and the zoned LEA average NSPF adjusted index score for the relevant level (elementary, middle, or high school).
    a. Only rated schools are used in the calculation of the LEA's average (elementary/middle/high) NSPF index score by level. LEA averages are calculated and truncated to one decimal place.
    b. Difference = charter school NSPF score – zoned LEA (elementary/middle/high) NSPF score.
3. Award points associated with the difference in the point attribution table (PAT) below.

Geographical Comparison Indicator
Comparison to Zoned District Measure (10 points possible)
Point Attribution Table

Difference in Index Score	Points
≥25.0	10
<25.0 and ≥21.6	9
<21.6 and ≥18.3	8
<18.3 and ≥14.9	7
<14.9 and ≥11.6	6
<11.6 and ≥8.3	5

Difference in Index Score	Points
<8.3 and ≥4.9	4
<4.9 and ≥1.6	3
<1.6 and ≥-1.6	2
<-1.6 and ≥-5.0	1
<-5.0	0

Comparison to Zoned School Measure: 15 points

Note: *This Measure cannot be calculated for the 2020-21 Framework, due to the lack of 2020-21 NSPF star ratings and index scores.*

This Measure compares a charter school's NSPF adjusted index score to that of its zoned district school. The zoned district school is the school zoned for the physical address of the charter school for the relevant school year.

The steps to calculate points for this Measure are as follows:

1. For the relevant school year, find the zoned district school for the charter school using the charter school's physical address and district zone search tools/maps and/or mapping websites.
    a. Exception: Certain schools (such as virtual schools) serve students from across the state. In this case, the zoned school is the state.
    b. Some schools have more than one zoned school. In these cases, the zoned school NSPF adjusted index scores are averaged, if available, for step #2. Averages are calculated and truncated to one decimal place.

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2. Find the difference between the charter school NSPF adjusted index score and the zoned school NSPF adjusted index score.
    a. If the zoned school does not have an NSPF rating, a difference is not calculated.
    b. Difference = charter school NSPF score – zoned school NSPF score.
3. Award points associated with the difference in the PAT below.

Geographical Comparison Indicator
Comparison to Zoned School Measure (15 points possible)
Point Attribution Table

Difference in Index Score	Points
≥25.0	15
<25.0 and ≥22.8	14
<22.8 and ≥20.6	13
<20.6 and ≥18.5	12
<18.5 and ≥16.4	11
<16.4 and ≥14.2	10
<14.2 and ≥12.1	9
<12.1 and ≥9.9	8

Difference in Index Score	Points
<9.9 and ≥7.8	7
<7.8 and ≥5.7	6
<5.7 and ≥3.5	5
<3.5 and ≥1.4	4
<1.4 and ≥-0.7	3
<-0.7 and ≥-2.8	2
<-2.8 and ≥-5.0	1
<-5.0	0

Enrollment Diversity Indicator: 15 points (3 bonus points available)

The Enrollment Diversity Indicator contains three measures, worth five points each, that compare a charter school to its zoned district regarding Economically Disadvantaged Student (FRL), Students with Disabilities (IEP), and English Learner (EL) enrollment rates. Charter schools are compared to district rates for their school level—elementary (grades K-5), middle (grades 6-8), or high (grades 9-12). As an example, the FRL rate for an elementary charter school (K-5) located in Clark County is compared to the FRL rate for the Clark County School District's K-5 population. Points in these Measures are earned based on the difference between charter school and district rates.

The source of charter school and state/district enrollment rates is the NDE October 1 validation day file for the relevant school year. Charter school enrollment rates are calculated by assigning students to NSPF school codes in the validation day file. Only grades K-12 are included in enrollment rates, as these grades are the only ones that can be assigned to NSPF school codes. Rates are calculated and truncated to one decimal place. The state and district enrollment rates, by level (elementary, middle, and high), are provided by the NDE; if these data indicate a population rate less than 5%, enrollment data from the Nevada Report Card are used to calculate the difference if possible. N-size is not a factor in these Measures, but for privacy reasons, rates and differences are displayed as ranges on school reports.

Economically Disadvantaged (FRL) Enrollment Rate Measure: 5 points

The difference between a charter school's FRL enrollment rate and the zoned district's corresponding (elementary, middle, high) FRL enrollment rate is calculated. Schools that serve the state are compared to relevant state rates. Points are earned per the relevant PAT below, based on the difference calculated.

Students with Disabilities (IEP) Enrollment Rate Measure: 5 points

The difference between a charter school's IEP enrollment rate and the zoned district's corresponding (elementary, middle, high) IEP enrollment rate is calculated. Schools that serve the state are compared to relevant state rates. Points are earned per the relevant PAT below, based on the difference calculated.

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English Learner (EL) Enrollment Rate Measure: 5 points

The difference between a charter school's EL enrollment rate and the zoned district's corresponding (elementary, middle, high) EL enrollment rate is calculated. Schools that serve the state are compared to relevant state rates. Points are earned per the relevant PAT below, based on the difference calculated.

Bonus for 25% Improvement in Enrollment Rates: 3 Points Possible, Up to Indicator Maximum

A school earns one bonus point, up to three bonus points total, for each population with a 25% or more increase in enrollment rate over the prior year's rate. For example, if a school's EL enrollment was 12% last year, they need an EL enrollment this year of 12+(12*0.25) = 15% to receive one bonus point for EL. If a school has 0% enrollment for a population in the prior year, enrollment must reach 5% to receive the bonus for that population. Bonus points are added to the Indicator total, up to the maximum Indicator total (15); for example, if a school receives maximum Indicator points and also meets one or more bonus point criteria, that school will only receive the maximum Indicator points possible (15).

Enrollment Diversity Indicator
FRL, IEP, and EL Enrollment Rate Measures (5 points possible each)
Point Attribution Tables

FRL Enrollment Measure

FRL Enrollment Rate Difference Charter vs. District	Points
≥0	5
<0 and ≥-10	4
<-10 and ≥-23	3
<-23 and ≥-37	2
<-37 and ≥-50	1
<-50	0

IEP Enrollment Measure

IEP Enrollment Rate Difference Charter vs. District	Points
≥0	5
<0 and ≥-2.5	4
<-2.5 and ≥-5	3
<-5 and ≥-7.5	2
<-7.5 and ≥-10	1
<-10	0

EL Enrollment Measure

EL Enrollment Rate Difference Charter vs. District	Points
≥0	5
<0 and ≥-5	4
<-5 and ≥-10	3
<-10 and ≥-15	2
<-15 and ≥-20	1
<-20	0

School Progress Indicator: Informational Only

Note: *This Indicator is partially calculated for elementary and middle schools and fully calculated for high schools in the 2020-21 Framework, using available 2019-20 and 2020-21 assessment data.*

The School Progress Indicator has two Measures: Reduction in Math Non-Proficiency and Reduction in ELA Non-Proficiency. These Measures are currently informational only and therefore points are not attached to performance. Current and prior year state assessment data are utilized to determine the year over year percent change in non-proficiency.

The steps to calculate performance for this Measure are as follows:

1. Using proficiency rates from the two most recent NSPF ratings, calculate the percent non-proficiency by subtracting the proficiency rate from 100.
    a. Example: if proficiency is 40%, non-proficiency rate is 100 – 40 = 60%.
2. Calculate the percent change in non-proficiency between the two years.
    a. Example: if non-proficiency rate is 60% the prior year and 55% the current year, percent change is (prior – current)/prior; in this case, (60-55) / 60 = 8.3% change in the positive direction (a reduction).

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STATE OF NEVADA

STEVE SISOLAK
Governor

REBECCA FEIDEN
Executive Director

STATE PUBLIC CHARTER SCHOOL AUTHORITY

ORGANIZATIONAL PERFORMANCE FRAMEWORK

TECHNICAL GUIDE

Updated June 25, 2021
For Fiscal Year 2022 and beyond

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STATE PUBLIC CHARTER SCHOOL AUTHORITY

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Dear Public Charter School Boards and School Leaders:

Attached is the Nevada Organizational Performance Framework (OPF) and Technical Guide. This framework is provided to public charter schools sponsored by the State Public Charter School Authority (SPCSA) to enable them to understand key areas of organizational compliance. This OPF is based on the National Association of Charter School Authorizers (NACSA) OPF and enables an external review of a charter school from the perspective of primarily five indicators or categories.

A few of the benefits of this organizational framework include:

- To help sponsored schools avoid most of the common, significant and material organizational issues which befall many charter schools.
- To provide clear guidance to charter schools of critical obligations and expectations which the charter schools must be in compliance with to perform within the legal parameters they have committed to operate within.
- To provide charter school stakeholders transparency and assurances that the school is meeting its obligations and that the SPCSA is striving to ensure schools provide high-quality organizational environments within which schools—and students—can thrive.

Of course, performance, compliance, with all applicable federal, state and local laws, regulations and ordinances as well as adherence to contract provisions by sponsored public charter schools is an ongoing obligation.

Certification of compliance is required of schools at certain times of the school year. Schools should consult the applicable law, regulations, ordinances and their contracts for all requirements. Schools will also find a number of such requirements called for in the Reporting Requirements Manual which the SPCSA publishes annually.

One of the four strategies of the SPCSA strategic plan is to "Ensure Fulfillment of Public School Obligations." Schools that adhere to the organizational requirements described within the OPF give themselves the best chances of organizational success.

The SPCSA will provide ongoing oversight and monitoring of individual school's performance against the indicators and measures listed within the OPF. School board members, school leaders and stakeholders are welcome to contact the SPCSA with any questions regarding this document.

Sincerely,

Mike Dang, Manager
Financial and Organizational Performance Frameworks
Nevada State Public Charter School Authority

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Organizational Performance Framework

Introduction

An Organizational Performance Framework (OPF) for charter schools provides a framework within which a charter school sponsor, authorizer and regulatory agency may carry out its oversight roles and responsibilities.

This Organizational Performance Framework (OPF) for State Public Charter School Authority (SPCSA) charter schools (CSs) is based on the National Association of Charter School Authorizers (NACSA) Core Performance Framework and Guidance Academic, Financial, and Organizational Frameworks for Charter School Accountability, March 2013.

The OPF reviews a charter school from the perspective of five indicators or categories. This structure facilitates the evaluation of the school's organizational performance and compliance with federal, state and local law, regulations, ordinances, and policy in addition to the contract between the SPCSA and the governing board of the school.

The Organizational Performance Framework documents consist of the following:

1. The Organizational Performance Framework Technical Guide.
    a. This Organizational Performance Framework Technical Guide explains the Organizational Performance Framework, its purpose, objectives and methods.
2. The Certification of Compliance
    a. The Certification of Compliance with the Organizational Performance requirements of the SPCSA is for the school's board to confirm and approve in a public meeting. This action aims to confirm that they and their school leadership certify that the operations of their school are in compliance as described herein.
    b. The board chairperson's signature is required to complete and submit this certification between June 1 and August 1.
3. Organizational Performance Ratings of School Compliance.
    a. The SPCSA will complete and submit this to the school board after receiving the Certification of Compliance by the board.

A copy of this OPF Technical Guide, and of the latter two documents described above will be posted separately on the SPCSA website. Copies of the latter two documents are shown below in Appendix A and Appendix B. An example of a possible score is included below as Appendix C.

Framework Guidance

The Organizational Performance Framework defines the operational standards to which a charter school should be accountable to its authorizer and the public. It is designed to treat all schools as though they are the same only in terms of meeting minimum legal and ethical requirements. This enables schools to retain the flexibility and autonomy to be different in the ways that matter most for a school's mission, vision, and educational program.

The expectations set out in the Organizational Framework derive from state and federal law as well as the operating terms that the school has proposed in the charter application. Of the three frameworks, the Organizational Framework is most closely aligned with the charter contract in terms of documenting operational expectations such as special education, accounting practices, reporting requirements, and the like.

One of the authorizer's core responsibilities with respect to charter schools is to protect the public interest. The Organizational Framework is the primary lever for carrying out this responsibility. It enables the authorizer to ensure that charter schools are respecting rights of students, staff, and families within the schools as well as the interests of the general public in ensuring that charter schools meet the legal obligations that state and federal legislatures have determined should apply.

Autonomy

"It is widely recognized that school autonomy was never intended to free charter operators from the following fundamental obligations, which serve to promote both students' wellbeing and societal interests:

1. State assessments of student achievement and consequences for poor performance;
2. Health and safety regulations;

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3. Teacher background checks;
4. Open enrollment policies;
5. Zero tuition policies;
6. Civil rights protections;
7. Open meeting laws;
8. Anti-nepotism rules for governing boards; and
9. Financial accountability rules."
10. Federal, state and local law, regulations, and ordinances and contract terms (SPCSA)

"Charter School Autonomy: A Half-Broken Promise," by Dana Brinson and Jacob Rosch, April 2010, Updated May 2010, The Thomas B. Fordham Institute (first 9; SPCSA #10)

Of the three frameworks, the Organizational Framework abuts most closely against school autonomy. The central premise of charter school autonomy is that the authorizer will articulate the expected outcomes, and the school will have maximum flexibility to determine the best way to achieve those outcomes. In other words, the authorizer articulates the ends and the school decides the means of getting there.

Whereas the Academic and Financial Frameworks focus almost exclusively on results, as in the results of a race, the Organizational Framework inevitably focuses on processes, as in the course and operations of running the race. Whether it is meeting requirements for minimum instructional days and minutes or ensuring that the facility meets applicable health and safety codes; the Organizational Framework is the place where the school becomes externally accountable for how it operates.

However, this process-focused accountability should be limited to those processes that are mandated by law, rules, regulations, or policies.

It is in this spirit that the SPCSA is operating.

Framework Structure

The Organizational Framework is divided into indicators, measures, metrics, and ratings, which are explained below.

Indicators

The framework includes six indicators or categories used to evaluate the school's organizational performance and compliance.

	Indicators
1	Education Program
2	Financial Management and Oversight
3	Governance and Reporting
4	Students and Employees
5	School Environment

1. Education Program

The Education Program section assesses the school's adherence to the material terms of its proposed education program. As a legal term, something is "material" if it is relevant and significant. For purposes of defining educational program accountability, the SPCSA will consider whether the information would be relevant and significant to decisions about whether to renew, non-renew, or revoke a charter. In addition to capturing material terms of the education program, this section also captures certain aspects of an education program that are required by law (e.g., content standards, assessments, special education

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requirements, etc.).

2. Financial Management and Oversight
While the Financial Framework is used to analyze the school's financial performance, the SPCSA will use this section of the Organizational Framework to set expectations for the school's management and oversight of its finances, without regard to financial performance. Audit results and audit findings are critical sources of evidence when evaluating schools against this indicator.

3. Governance and Reporting
A charter school must practice sound governance and adhere to reporting requirements of the SPCSA and other responsible entities. In this section the SPCSA sets forth expectations of the charter board's compliance with governance-related laws as well as the board's own bylaws and policies. Additionally, this indicator includes a measure to evaluate the extent to which the board oversees the individuals or organizations to which it delegates the duties of implementing the program, a fiduciary responsibility of the board.

4. Students and Employees
While charter schools may be exempt from certain laws and allowed to function with greater autonomy, they still must adhere to federal and state laws regarding treatment of individuals within the organization. In this section, the SPCSA measures charter school compliance with a variety of laws related to students and employees, including the rights of students and employees as well as operational requirements such as teacher licensing and background checks.

5. School Environment
Charter schools must also follow laws related to the school's physical plant and the health and safety of students and the charter community. This section addresses the school's facility, transportation, food service, and health services, among other things.

Measures

For each of the indicators, the framework provides a number of measures by which to evaluate schools. The measures take the form of questions about each school's performance. For example:

- Is the school implementing the material terms of the education program as defined in the current charter contract?
- Is the school protecting the rights of English Language Learner (ELL) students?
- Is the school meeting financial management and oversight requirements?

Information and guidance specific to each measure is provided below in the Measures in Detail section.

Metrics

Metrics are expectations set forth in evaluating a measure. For example, to evaluate the question, "Is the school following Generally Accepted Accounting Principles?" Examples of metrics for this measure are:

- An unqualified audit opinion
- An audit devoid of significant findings and conditions, material weaknesses, or significant internal
- control weaknesses
- An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

Throughout the Organizational Framework, we set forth the metrics for evaluating the different measures within the "Meets Standard" rating.

Targets and Ratings

For each measure a school receives one of two ratings based on evaluation of the established metrics.

Meets Standard:
The "Meets Standard" rating is defined by the threshold of success for the measure, or the target the school is expected to meet. In the Organizational Framework, this rating provides the detailed metrics against which the charter school is judged. If the school meets the target, then the SPCSA does not need to follow up with the school or require corrective action. Schools do not meet the standard if failures are material in nature, meaning they are relevant to the SPCSA's accountability decisions.

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Does Not Meet Standard:
The "Does Not Meet Standard" rating remains consistent for each measure in the Organizational Framework and reads:

> "The school failed to materially comply in the manner described above."

This means that the school has materially failed to meet the target during the evaluation period. Schools with a number of "Does Not Meet Standard" designations may be placed into the intervention ladder or even considered for non-renewal.

Considerations when using the OPF

As with the Academic and Financial Performance Frameworks, the SPCSA will use the Organizational Performance Framework to collect evidence of performance and to evaluate schools at least annually, to monitor schools throughout their charter terms, to report to schools and the public annually, to intervene in schools that do not meet expectations, and to make high-stakes decisions, including: renewal, non-renewal, possible revocation, expansion or replication.

Assurance of compliance by the charter board
The Organizational Framework provides a space for the SPCSA to report any credible cases of noncompliance in areas where it may not routinely evaluate the school. Documentation by the charter board provides an assurance to the SPCSA that the board is aware of and is compliant with its legal obligations.

Certification
The SPCSA requires an assurance from the charter school board including in the form of a certification of compliance. This certification means that the board has reviewed and attests that the school is in compliance with federal, state, and local laws, regulations and ordinances as well as with conditions of and amendments to its charter contract with the SPCSA.

The SPCSA will follow up if complaints or reports from the State Education Agency indicate noncompliance. Follow-up review could include requests of data to verify compliance such as school calendars, student records, or reports the school may submit to the State Education Agency (e.g., reports to verify state assessment compliance).

When evaluating the requirement that the school implemented "mandated programming as a result of state or federal funding," the SPCSA could work with divisions and documents within the Nevada Department of Education or other agencies that oversee these programs (e.g., Title IV), as they likely have processes in place to evaluate and report findings of noncompliance.

Data Sources

The Data Sources sections below list the sources of the documentation the SPCSA will look to in reviewing the organizational performance and compliance levels of the school. Schools provide most of the information used to make compliance determinations and ratings regarding any OPF measure and its indicators. Where that is not the case, SPCSA will indicate "(School)" next to data sources the school needs to provide. A designation of "SPCSA" in this part of the table indicates where SPCSA will request information from another agency or entity, such as NDE or PERS.

Data Sources may also include items not specifically listed here, including school policies, site visit observations and site evaluations, record audits, interviews of stakeholders, WIDA testing documents and other ELL reporting requirements.

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Measures in Detail

Ratings and Scoring

	Category	Points Possible	Points Earned
1	Education Program	20	
2	Financial Management and Oversight	20	
3	Governance and Reporting	20	
4	Students and Employees	20	
5	School Environment	20	
	Total	**100**	

Ratings
Meets Standard Rating (80 points or more) • The threshold of success for the measure, the target expectations. • The detailed metrics against which the charter school is judged. • If the school meets the target, the SPCSA may still follow up on a specific issue. • Schools earning this rating are performing well and are on track for charter renewal • The targets for this rating category set the minimum expectations for charter school performance
Does Not Meet Standards (79 points or less) • The school has failed to materially comply in the manner described above. • The SPCSA will follow up with the school to ensure corrective action is taken. • Schools in this rating category failed to meet minimum expectations • At a minimum, they should be subject to closer monitoring, and their status for renewal is in question

A school must earn a total of 80 points or more in any one year for all indicators to achieve a Meets Standards Rating. A school that earns less than 80 points in any one year is automatically subject to additional oversight, will be placed into the intervention ladder and will be required to take corrective action steps.

A Notice of Concern is sent to all charter schools whose organizational framework ratings results in less than 80 points earned on an annual basis. Continued or significant evidence of materially weak organizational performance observed through ongoing oversight, and/or failure to make substantial progress towards remedying previously-identified concerns may result in further escalation within the intervention ladder, including a Notice of Breach or a Notice of Intent to Terminate.

A school may earn full, partial or no points for any of measure, and it is possible that a school may earn an annual rating of Meets Standard but only earn a few points in one of the five categories listed above. The SPCSA will work with schools falling into this category to ensure the school has an opportunity to resolve the problems or non-compliance issues. The SPCSA will note the issue and how the issue was resolved.

Each category (such as the Education category) of measures below is equally weighted against the other categories. However, each category may not have the same number of measures or questions, review elements and data sources to review. Still, the weighting for each category is the same for all five categories.

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If a school scores a Does Not Meet Standards (DNMS) for any one measure or for one question in a measure in a category it does not automatically mean the school has failed the entire category. The materiality of the DNMS will be considered to make such a determination.

There is some level of subjectivity with some measures and not with others. For example, there may be a subjective zone in determining whether a school's educational program was materially consistent with the program the school committed to provide in its charter contract. On the other hand, an example of an objective standard would be where a financial auditor declares that a school was clearly not using Generally Accepted Accounting Principles in its accounting work, as is required. Where there is such subjectivity, SPCSA determinations will reference the evidence used to support its ratings.

Should a school fail to provide sufficient information or fail to demonstrate compliance within a certain measure, SPCSA staff will take a more active role and request additional information in order to more fully inform a final rating. In most cases, this will require additional or supplemental information not previously provided. In rare cases of extreme concern, a desk audit or a document sample may be required if all other options are exhausted.

Should a school fail to provide sufficient information or fail to demonstrate compliance within a certain measure, SPCSA staff will take a more active role and request additional information in order to more fully inform a final rating. In most cases, this will require additional or supplemental information not previously provided.

If SPCSA staff determine that a Notice of Concern is warranted, SPCSA staff will contact the school Board president and/or school leaders before issuing any applicable formal Notice of Concern or otherwise work with the school if SPCSA intervention is required. Given the compliance focus of the organizational performance framework, which can be reevaluated throughout the year and requires timely feedback, staff would only issue a Notice of Concern should a serious concern arises. Authority approval would be required to place a school further into the Intervention Ladder.

Indicator 1: Education Program (20 pts)

The Education Program section assesses the school's adherence to the material terms of its proposed education program, such as content standards. **These measures are different from the Academic Performance Framework in that they measure educational compliance rather than educational performance outcomes.**

1a. Implementing the program

This measure does not evaluate the Academic performance of the school, which is the focus of the Academic Performance Framework. This measure only addresses the program itself, the organization's fidelity to that program, and organizationally whether the school is appropriately notifying the authorizer of and gaining approval for major changes to the education program.

Measure 1a (5 pts)	
Is the school implementing the material terms of the education program as defined in the current charter contract?	
☐ MS ☐ DNMS Explanation (for DNMS):	
Meets Standard: The school implemented the material terms of the education program ("fidelity to the program") in all material respects and the education program in operation reflects the material terms as defined in the charter contract or amendments thereto. **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*

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1. The school website and curriculum are in alignment with the material terms of the education program ("fidelity to the program" and "truth in advertising") defined in its application and current charter contract.	• Charter application • Charter contract • Course outlines or syllabi (School) • Web-link(s) showing fidelity to the program. (School)
2. The site evaluation demonstrates that the school model is in alignment with the material terms of the education program ("fidelity to the program" and "truth in advertising") defined in its application and current charter contract. If no site evaluation occurred during the year, SPCSA staff will revert to the most recent site evaluation to determine if the model aligns with the education program.	• Most recent Site Evaluation (SPCSA)

1b. Education Requirements

Some elements of a public school's education program are fixed in law and may not be waived for charter schools. This measure evaluates the school's adherence to education requirements, such as content standards.

Measure 1b (5 pts)

Is the school complying with applicable education requirements?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:

The school materially complies with applicable federal and state laws, rules, regulations, and provisions of the charter contract relating to education requirements, including but not limited to:

- Charging no tuition, mandatory donations, fines or fees (except where provided by law or regulations);
- Requiring no volunteer hour requirements as a condition of enrollment,
- Being compliant with lottery requirements, pursuant to R131-16,
- Meeting instructional days or minutes requirements,
- Meeting state assessment requirements including the 95% participation requirement[1]
- Implementing mandated programming as a result of state or federal funding.
- Ensuring all courses are taught in alignment with Nevada Academic Content Standards

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school was in session for at least 180 days or, the Governing Body adopted and received approval from the Department of Education for a calendar with an equivalent number of minutes of instruction per school year based on a different number of days of instruction.	• Approved NDE Calendar
2. The school's policies and practices related to admissions, enrollment waiting lists, fair and open recruitment, and enrollment practices (including rights to enroll or maintain enrollment), lottery method, are consistent with applicable law and regulation (R131-16AP).	• Application and enrollment forms • Parent/Student Handbook and no verified, adverse complaints

[1] An At-Risk oriented program may be viewed differently regarding this measure.

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3. Meets the 95% state assessment participation requirement which states that 95% of students are required to participate by taking the following examinations: For ES, MS, 3rd-8th graders, each year, the SBAC ELA (Part 1) and Math (Part 2) tests; for HS: ACT Test administered in 11th grade.	• Self-certification of NSPF verified results issued by NDE
4. The school did not charge any fees that may be considered tuition.	• Parent/Student Handbook and no verified, adverse complaints

1c. Students with Disabilities

Charter schools must follow state and federal special-education laws and provide a high-quality learning environment for all students. In addition to an evaluation of how well a school is educating students with special needs (a component of the Academic Performance Framework), the Organizational Performance Framework includes an evaluation of how well the school is meeting its legal obligations regarding services to these students and protecting their rights under state and federal law.

Measure 1c (5 pts)

Is the school protecting the rights of students with disabilities?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:

Consistent with the school's status and responsibilities as a public school within the SPCSA Local Education Agency (LEA) , the school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act) relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to:

- Equitable access and opportunity to enroll
- Identification and referral
- Appropriate development and implementation of Individualized Education Plans and Section 504 plans
- Operational compliance, including provision of services in the least restrictive environment and appropriate inclusion in the school's academic program, assessments, and extracurricular activities.
- Discipline, including due process protections, manifestation determinations, and behavioral intervention plans.
- Access to the school's facility and program to students in a lawful manner and consistent with students' IEPs or
- Section 504 plans.

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school conducted required disability screenings on all new identified special education students within required deadlines, to the extent reasonably possible.	• Self-certification and no verified adverse complaints
2. The school uses Staff (internal or contracted) who hold Nevada licensure in special education, to the extent possible, over and above any requirements of law, regulation, or contract to provide special education services.	• Self-certification • NDE certifications database (SPCSA)
3. Evaluations and current, signed IEPs are on file for all special education students when available. 34 CFR 300.341-350 and 300.531-536 and NAC 388 https://www.leg.state.nv.us/nac/nac-388.html	• Self-certification, site visits, and NDE SPED Audits (SPCSA)
4. The charter school has a current special education policy that has been approved by the governing body.	• Board minutes showing specific date of meeting board adopted item (School)

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5. The school ensured that all students with disabilities and all students receiving instruction in a class funded with Gifted and Talented Funds were served at the required student-teacher ratios (NAC 388.150).	• Self-certification and no verified adverse complaints

1d. English Language Learner (ELL) students

Similar to their responsibilities regarding special education, charter schools must follow state and federal laws governing access and services for students who are English Language Learners (ELLs). In addition to an evaluation of how well a school is educating ELL students (a component of the Academic Performance Framework), the Organizational Performance Framework includes an evaluation of how well the school is meeting its legal obligations regarding services to these students and is protecting their rights under state and federal law.

Measure 1d (5 pts)

Is the school protecting the rights of English Language Learner (ELL) students?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including Title III of the Elementary and Secondary Education Act [ESEA] and U.S. Department of Education authorities) relating to requirements regarding English Language Learners (ELLs), including but not limited to:

- Equitable access and opportunity to enroll
- Required policies related to the service of ELL students
- Compliance with native language communication requirements
- Proper steps for identification of students in need of ELL services
- Appropriate and equitable delivery of services to identified students
- Appropriate accommodations on assessments
- Exiting of students from ELL services
- Ongoing monitoring of exited students

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school took proper steps to identify all students in need of ELL services as required by law, evidenced by a. The presence of completed Home Language Surveys (HLS) of pupil records reviewed; b. Screening Tests for pupils identified as having a primary home language other than English and for students who have received ELL services at the charter school; and c. evidence of Parent Notification for identified pupils.	• Self-certification and no verified, adverse complaints • Enrollment packet with HLS (School) • WIDA Screener Completion
2. The school developed, approved, and submitted the annual ELL Plan by the required deadline.	• Title III ELL Plan/Policy submission
3. Staff the school uses (internal or contracted) to provide services to English Language Learners hold, as required by law, Nevada licenses with English Language Acquisition and Development (ELAD) endorsements (with or without practicum).	• Self-certification and no verified, adverse complaints

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Indicator 2: Financial Management and Oversight (20 pts)

Critical to an organization's health and stability is its ability to manage its finances well. The SPCSA has a responsibility to protect the public's interest and must evaluate the extent to which the charter school is responsibly managing its finances. Charter schools should have an unqualified, or "clean," financial audit. This means that the auditor found the financial statements to be accurate and complete, which is necessary for evaluating a school's financial health.

2a. Financial Reporting and Compliance

The financial reports included in this measure are used as a basis for the analysis of a school's financial viability (i.e., Financial Performance Framework) and financial management (see Measure 2b below). The purpose of this measure is to determine whether the school is submitting accurate and timely information to the SPCSA.

Reporting requirements such as financial audits and budget reports are often required by state law. Charter schools are public schools that use public funds. The SPCSA is charged with ensuring that schools are responsible stewards of those funds. The SPCSA requires charter schools to report on their financial positions through annual budgets, periodic (e.g., quarterly) financial reports, financial audits, etc.[2]

Measure 2a (5 pts)

Is the school meeting financial reporting and compliance requirements?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial reporting requirements, including but not limited to:

- Complete and on-time submission of financial reports, including annual budget, revised budgets (if applicable),
- Quarterly financial reports as required by the authorizer
- On-time submission and completion of the annual independent audit and corrective action plans, if applicable,
- All reporting requirements related to the use of public funds.

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The charter school complied with generally accepted standards of fiscal management (NRS 388A.330).	• Budget, quarterly and annual financial statements
2. The governing body received the final version of the prior year audit not less than four months of the close of the fiscal year (NAC 387.775).	• Annual Independent Audit

2b. Generally Accepted Accounting Principles

The Nevada Administrative Code (NAC 387.765) requires charter schools to "[c]omply with generally accepted accounting principles." This measure assesses compliance with this requirement.

Measure 2b (5 pts)

Is the school following Generally Accepted Accounting Principles (GAAP)?

☐ MS ☐ DNMS Explanation (for DNMS):

[2] Additionally, if the school contracts with a Charter Management Organization (CMO) or Education Management Organization (EMO), the SPCSA may include additional contractual provisions in the charter contract that "ensure…the school's financial independence from the external provider. Principles & Standards for Quality Charter School Authorizing. National Association of Charter School Authorizers, (2012). The SPCSA considers this a best practice.

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Meets Standard:
The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to:

- An unqualified audit opinion
- An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses
- An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. Receive an unqualified audit opinion.	• Annual financial audit
2. Receive an audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses	• Annual financial audit
3. Receive an audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report	• Annual financial audit

2c. The Nevada Chart of Accounts

The Nevada Administrative Code (NAC 387.765) requires charter schools to "Use the chart of accounts prescribed by the Department" of Education. This measure evaluates compliance with this requirement.

Measure 2c (5 pts)

Is the school using the chart of accounts prescribed by the Nevada Department of Education?[3]

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:
The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to use of the Chart of Accounts prescribed by the Nevada Department of Education.

Does Not Meet Standard
The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The governing board certifies that it is submitting all required reports in the NDE chart of accounts (COA) formats requested by the Department.	• Self-certification and submittal of trial balance and Charter School COA (School)

2d. Grant Subrecipient Compliance

The purpose of this measure is to determine whether the school is complying with applicable requirements for receiving grant funds as a part of its overall operations. Compliance is determined by timeliness of grant-related document

[3] As of 5/2019 the Nevada Department of Education and SPCSA are reviewing potential required revisions to the manner in which the chart of accounts is used in order to meet federal Every Student Succeeds Act (ESSA) reporting requirements. Schools will not be required to comply with any new additional requirements until such time as the Nevada Department of Education notifies schools of its rollout schedule and provides a period of time for the implementation of required changes for the school year in which compliance will be required. Until such time, schools are required to continue to use the COA as currently required in various periodic reports requested by the Nevada Department of Education.

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submissions, use of funds for allowable purposes, grant applications that meet published requirements, commitment to subrecipient monitoring activities, and established internal controls for the use of grant funds.

Charter schools are public schools that use public funds, including state and federal grant funds. The SPCSA as the Local Education Agency (LEA) and pass-through entity is responsible for monitoring the activities of the school (subrecipient) as necessary to ensure that the grant funds are used for authorized purposes; in compliance with applicable statutes, regulations, and terms and conditions of the subaward; and that subaward performance goals are achieved.

Measure 2d (5 pts)

Is the school meeting grant subrecipient compliance requirements?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:
The school materially complies with applicable laws, rules, regulations, and terms and conditions of all applicable subaward agreements; submits timely applications, reimbursement requests, and required reports; ensures completion of an annual single audit if required; and complies with the risk assessment and subrecipient monitoring process.

Does Not Meet Standard
The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The charter school complied with SPCSA published deadlines[4] and requirements, applicable laws, regulations and subaward terms and conditions.	• Grant applications, reimbursement requests, time and effort reporting
2. The charter school complied with SPCSA Risk-Based Subrecipient Monitoring requirements.	• Fiscal and programmatic instruments, onsite monitoring, desktop monitoring, responses to Corrective Action Plans or Management Decisions

Indicator 3: Governance and Reporting (20 pts)

Charter school boards are responsible to improve student achievement in their schools. In doing so, they are responsible to the SPCSA, Nevada, the federal government, and the public to ensure the school is operating in accordance with the board's charter contract and all applicable laws, regulations and ordinances. This section regards governance-related laws, the school board's bylaws and policies and its oversight of its school and fidelity to its fiduciary duties.

3a. Governance Requirements

Charter school boards hold fiduciary responsibility for the charter schools they oversee and must comply with applicable governance requirements. Boards may have different governance requirements based on how they are legally structured.

Measure 3a (6.7 pts)

Is the school complying with governance requirements?

☐ MS ☐ DNMS Explanation (for DNMS):

[4] This includes formally established deadlines and timelines which are communicated in advance. Schools that request extensions to such deadlines in advance and are granted extensions will not lose points so long as they meet the extended deadline.

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Meets Standard:
The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to governance by its board, including but not limited to:

- Board policies, including those related to oversight of an Educational Management Organization (EMO) or Charter Management Organization (CMO), if applicable
- Board bylaws
- State open meetings law
- Code of ethics
- Conflicts of interest
- Board composition and/or membership rules (e.g., requisite number of qualified teachers, ban on employees or contractors serving on the board, etc.)
- Compensation for attendance at meetings
- Board member training
- Board member disclosure of conflicts of interest upon appointment

Does Not Meet Standard
The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The Attorney General did not issue findings of fact and conclusions of law that the governing body or any other public body created by the charter school has taken action in violation of any provision of NRS 241.010 et seq. during the fiscal year.	• Self-Certification and no verified adverse findings.
2. The school received no material governance compliance complaints which were substantiated or if they were substantiated the school board promptly implemented acceptable corrective actions.	• Self-Certification and no verified adverse findings.
3. The governing body ensured that it held at least quarterly meetings (NRS 388A.320(5)).	• Board minutes
4. Each governing board member has completed training before the opening of the charter school and at least every 3 years thereafter (AB419 from the 2021 Legislative Session)	• Board Training Report
5. Each governing board member upon appointment completes the conflict of interest disclosure form and submits it to the SPCSA. Conflict of interest disclosure forms indicate no inappropriate or impermissible relationships.	• Conflict of Interest Forms

3b. Vendor and Contractor Accountability

The central role of the charter school board is to responsibly delegate the work of actualizing the board's educational vision and mission. To that end, the board has a responsibility to oversee and hold accountable the charter school's vendors and contractors, including any Educational Management Organization (EMO) or Charter School Management Organization (CMO). In any event, the school governing board is the party ultimately responsible for the success or failure of the school.

Measure 3b (6.7 pts)

Is the school holding management accountable?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:
The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to oversight of school vendors and contractors, including but not limited to:

- (For schools that contract with an EMO or CMO) maintaining authority over the EMO or CMO, holding it accountable for performance as agreed under a written performance agreement, and requiring annual financial reports of the EMO or CMO
- (For All) oversight of vendors and/or contractors that includes holding it accountable for performance expectations

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and contractual obligations **Does Not Meet Standard** The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The governing body has conducted an annual evaluation of any EMO with which the school has contracted, per the written performance agreement between the board and the EMO if applicable (NAC 388A.580(5)) and provided a letter to the SPCSA describing whether the governing body of the charter school is satisfied with the contractual relationship with the EMO (AB419 from 2021 Legislative Session).[5]	• School-EMO contract • EMO Evaluation • Letter from Governing Body
2. The governing body submitted a copy of the EMO Revenue and Expenditure Report, if applicable.	• EMO Revenue and Expenditure Report
3. The governing body submitted a copy of EMO or CMO contract to the SPCSA for the current fiscal year and the contract complied with NRS 388A.393.	• Contract(s)

3c. Reporting Requirements

Reports from schools are required in order to allow the SPCSA to monitor and evaluate the school's academic and operational performance and form the basis for renewal recommendations. Additionally, charter schools are responsible to other entities, including the State Education Agency, for certain reporting requirements.

Measure 3c (6.7 pts)
Is the school complying with reporting requirements?
☐ MS ☐ DNMS Explanation (for DNMS):
Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to relevant reporting requirements to the school's authorizer, State Education Agency (SEA), district education department, and/or federal authorities, including but not limited to: • Accountability tracking • Attendance and enrollment reporting • Compliance and oversight **Does Not Meet Standard** The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school's governing board certifies the school has complied with all applicable reporting requirements called for in the Reporting Requirements Manual during the most recent school year with no material gaps in reports submitted.	• Review of Epicenter submissions • Self-certification

[5] Regarding charter management organizations, the SPCSA collects, analyzes and reports on pupil achievement and school performance to determine whether the client charter school is meeting the performance indicators, measures and metrics for the achievement and proficiency of pupils. NRS 388A.229

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Indicator 4: Students and Employees (20 pts)

Charter schools must adhere to federal and state laws regarding treatment of individuals within the organization. The SPCSA measures charter school compliance with a variety of laws related to students and employees, including the rights of students and employees as well as operational requirements such as teacher licensing and background checks.

4a. Rights of students

Charter schools must protect the rights of the students they serve. The SPCSA has a responsibility to ensure that the charter school is in compliance with a range of requirements from admissions policies to protections of students' civil rights.

Measure 4a (3.3 pts)

Is the school protecting the rights of all students?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:
The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the rights of students, including but not limited to:

- The Policies and practices it has developed and which it implements designed to protect the rights of students related to admissions, waiting lists, fair and open recruitment, and enrollment (including rights to enroll or maintain enrollment)
- Due process protections, privacy, civil rights, and student liberties requirements, including First Amendment protections and the Establishment Clause restrictions prohibiting public schools from engaging in religious instruction
- Conduct of discipline (discipline hearings and suspension and expulsion policies and practices)

Note: Proper handling of discipline processes for students with disabilities is addressed more specifically in Section 1c.

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school properly collects and protects student private information.	• Self-Certification and no verified adversary findings.
2. The school has a Plan for Restorative Discipline and a policy for appealing suspension and expulsion which complies with NRS 392 and NRS 388A, and which is implemented with integrity.	• School Plan for Restorative Discipline
3. Due process protections, privacy, civil rights, and student liberties requirements, including First Amendment.	• Self-Certification means all complaints and issues have been resolved as required, noting any open issues.

4b. Attendance Goals

SPCSA charter schools are expected to achieve attendance levels of 90% or greater. Attendance, like re-enrollment, is an important leading indicator of a quality education program,

Measure 4b (3.3 pts)

Is the school meeting attendance goals of 90% or greater?

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☐ MS ☐ DNMS Explanation (for DNMS):	
Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to attendance goals. **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The governing board certifies that the school was in material compliance with student attendance requirements, achieving attendance of 90% or greater.	• Self-certification • Nevada Schools Report Card

4c. Re-enrollment

Re-enrollment, like attendance, is an important leading indicator of a quality education program, but it is not included in the Academic Performance Framework because it is not in itself an academic performance outcome. Consequently, SPCSA evaluates the school's attendance rates through the lens of organizational effectiveness. Schools with strong re-enrollment rates typically have higher parent and student satisfaction and are more financially and organizationally stable. Schools that struggle with re-enrollment, especially if chronically, may be at risk of academic or financial failure.

Measure 4c (3.3 pts)	
Is the school re-enrolling 80% of its students, year over year?	
☐ MS ☐ DNMS Explanation (for DNMS):	
Overview: "Reenrollment" is defined as the number of students continuing to be enrolled in the school from one year to the next expressed as a percentage of the total number of students eligible to continue their enrollment at the school. **Meets Standard:** The school's student reenrollment rates are 80% of its students or greater. **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school's student re-enrollment rates are at least 80% or greater.	• Validation data files (Count Day Files, 10/1 files) (SPCSA) • Enrollment records (Instant SYE and prior year SYE) (School) • Charter Contract (Epicenter)

4d. Staff Credentials

Public schools must employ appropriately qualified and credentialed staff including administrative, teaching, and educational support staff as required by law. For schools that receive Title II funding, staff must meet Highly Qualified Teacher and Paraprofessional requirements.

Measure 4d (3.3 pts)

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Is the school meeting Nevada teacher and other staff credentialing requirements?	
☐ MS ☐ DNMS Explanation (for DNMS):	
Staff Credentials Public schools must employ appropriately qualified and credentialed staff including administrative, teaching, and educational support staff as required by law. Specifically, all core content teachers are licensed and at least 80% of all teachers are licensed in accordance with NRS 388A.518 as amended by AB 109 from the 2021 Legislative Session. **Meets Standard:** The school materially complies with applicable federal and state laws, rules, regulations, and provisions of the charter contract relating to state certification requirements. **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school complies with requirements regarding maintenance of personnel records.	• Self-Certification • SPCSA may use OPAL if available
2. All core content teachers are licensed and at least 80% of all teachers are licensed in accordance with NRS 388A.518 as amended by AB 109 from the 2021 Legislative Session.	• Employee Information Report

4e. Employee Rights

Schools are required to follow applicable employment laws. While schools are responsible for meeting all facets of employment law, the SPCSA reviews compliance with certain key requirements.

Measure 4e (3.3 pts)	
Is the school complying with laws regarding employee rights?	
☐ MS ☐ DNMS Explanation (for DNMS):	
Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to employment considerations, including those relating to the Family Medical Leave Act, the Americans with Disabilities Act, and employment contracts. The school does not interfere with employees' rights to organize collectively or otherwise violate staff collective bargaining rights. **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school has no known outstanding payroll, unemployment, or other payment or reporting or ADA or FLMA obligations with the IRS, or other federal, state and local entities.	• Self-certification • Third-party reports if available (SPCSA)

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2. The school is current with all IRS, payroll, unemployment, and other federal, state and local employee payment and reporting obligations.	• Financial audit • Self-certification, including verification documentation of issues resolved.
3. The school is current with all PERS obligations.	• Self-certification and verification from PERS (SPCSA)

4f. Background Checks

Charter schools must conduct background checks, or ensure background checks have been completed, as an assurance of credentialing for certain employees within the school. Additionally, state law or the SPCSA may require through the charter contract that certain individuals in the charter community, such as volunteers and board members, submit to background checks.

Measure 4f (3.3 pts)

Is the school completing required background checks?

☐ MS ☐ DNMS Explanation (for DNMS):

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to background checks of all applicable individuals (including staff and members of the charter community, where applicable).

Does Not Meet Standard

The school has failed to materially comply in the manner described above.

Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school timely obtained valid fingerprint clearance for all school employees which would have regular contact with children or with student data, all employees and volunteers of the charter school and all vendor employees situated or regularly on campus NRS 388A.515.	• Self-Certification and no adverse related finding in the financial audit.
2. The charter school maintains up-to-date fingerprints of all Governing Body members as of the testing date NRS 388A.323.	• Self-Certification and no adverse related finding in the financial audit.
3. All Governing Body members, after being appointed, have met the 10-day law regarding fingerprint submissions, pursuant to NRS 388A.323 Fingerprinting of members.	• Self-Certification and no adverse related finding in the financial audit.

Indicator 5: School Environment (20 pts)

Charter schools must follow laws related to the school's physical plant and the health and safety of students and the charter community.

5a. Facilities and Transportation

Authorizers should ensure that the school's physical plant is safe for occupancy as a school and that the school complies with laws related to the provision of transportation services.

Measure 5a (10.0 pts)

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Is the school complying with facilities and transportation requirements?	
☐ MS ☐ DNMS Explanation (for DNMS):	
Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the school facilities, grounds, and transportation, including but not limited to: • Americans with Disabilities Act (ADA) • Fire inspections and related records (Epicenter) • Viable certificate of occupancy or other required building use authorization (Epicenter) • Documentation of requisite insurance coverage (Epicenter) • Student transportation (as applicable) **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. The school has all required insurance coverages, did not have any interruption in insurance coverage during the fiscal year and provided evidence of updated insurance coverage to the sponsor immediately following receipt. (Insurance Requirements outlined in NAC 386.215)	• Certificates of insurance
2. The school meets all other requirements including Americans with Disabilities Act (ADA), Fire inspections and related records,	• Fire Inspections, Certificate of Occupancy, insurance coverage • Viable certificate of occupancy or other required building use authorization, • Documentation of requisite insurance coverage, • All required transportation licenses received and current. (School)
3. The school complies with its charter school application, any approved amendment, and NRS 386.790-386.845 regarding pupil transportation.	• SPCSA[6]

5b. Health and Safety

Charter schools must meet state and federal health and safety requirements related to health services and food services, whether these services are provided by a Local Education Agency or contracted independently. Some charter schools, depending on their legal structures, may access additional health and/or safety services from traditional school districts.

Measure 5b (10.0 pts)
Is the school complying with health and safety requirements?
☐ MS ☐ DNMS Explanation (for DNMS):

[6] SPCSA to work with NDE's office of Pupil Transportation and Emergency Management @ http://www.doe.nv.gov/Pupil_Transportation/Home/

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Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to safety and the provision of health-related services, including but not limited to: 1. Appropriate nursing services and dispensing of pharmaceuticals 2. Food service requirements 3. Other health and safety services, as applicable **Does Not Meet Standard** The school has failed to materially comply in the manner described above.	
Description *(For full points, the school must be in compliance with all laws, regulations, ordinances and contractual conditions including the following.)*	**Data Source** *(Epicenter file used unless source is "School" or SPCSA)*
1. 1. Current fire, building, health and asbestos inspection documents and approvals, including the certificate of occupancy, have been submitted into Epicenter in compliance with NAC 388A.155.	• Epicenter Facility Management Folder
2. The school complies with NRS 392.616 regarding establishment of a crisis and emergency response development committee. a. Crisis/Emergency Response Plan Development NRS 388.243 i. Annual Review - Development Committee NRS 388.245 ii. Annual Review - School Committee NRS 388.249 b. Emergency Drill Report (Monthly Requirements - NRS 392.450) c. Notification to Local Law Enforcement NRS 388A.363	• Crisis Response Management Plan, • Establishment of Committee for Crisis/Emergency, Emergency Management
3. The school complies with NRS 388.243 regarding development of an emergency plan and NRS 388.245 regarding annual review and update of the plan for responding to a crisis or emergency, including uploading the plan to Epicenter and forwarding to the Department of Public Safety by the deadline.	• Crisis Response Management Plan-
4. The school complies with all other requirements including providing appropriate nursing services and dispensing of pharmaceuticals, food service requirements, and other health and safety services.	• Self-Certification and no adverse finding.

Conclusion

The Organizational Performance Framework is designed to evaluate schools against existing requirements in law, rules, regulations, or charter contracts, not to create new requirements for schools. While schools are accountable for compliance with most existing requirements even without the Organizational Framework, this framework allows the SPCSA to transparently communicate the primary areas for compliance through one document.

Collecting Evidence and Evaluating Schools on the Organizational Performance Framework

Some measures in the Organizational Framework require periodic monitoring to ensure compliance, while others can be analyzed annually or through reports submitted directly to the authorizer. Others still may only require a self-certification, an assurance, of compliance by the charter school board and may require follow up if concerns are raised.

Due to the complexity in verifying compliance with some metrics, evidence of compliance may be determined only after the collection and analysis of multiple data points. For example, the SPCSA may periodically evaluate whether a school is compliant with special-education requirements by gathering evidence through multiple sources at different points in the school year (e.g., the SPCSA may annually verify compliance by review of special-education audits conducted by the State Education Agency as well as through site visit observations and analysis of school records).

The sections below outline common ways the SPCSA will collect data to evaluate charter schools' organizational performance, beginning with the least intensive approach. The SPCSA will always revert to the least intensive approach and escalate only where absolutely necessary when staff capacity and/or concerns warrant a different approach.

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Assurance of compliance by the charter board
The Organizational Framework provides a space for the SPCSA to report any credible cases of noncompliance in areas where it may not routinely evaluate the school. The SPCSA will require that the school maintain a file of official assurance of compliance by the charter school board. This documentation by the charter board provides an assurance to the SPCSA that the board is aware of its legal obligations to the organization. The charter school board should approve this document annually. Accompanying this assurance should be evidence of compliance or direct reference to evidence (e.g., reference to board minutes or policies, reference to school procedures, or certificates). The assurance and evidence could be organized in a file or binder that the authorizer can access upon request.

The SPCSA will review files when deemed necessary (e.g., the SPCSA may review this report and request follow-up information on some measures should there be questions or concerns).

The SPCSA may require that the charter school board assure that it is compliant with employment law. Evidence of

compliance would include an assurance and would be verified annually by the authorizer; in this case, compliance would be assumed unless determined otherwise. A complaint to the SPCSA may warrant more direct review or investigation of an issue, but the burden of providing evidence of compliance lies with the charter school board that has assured compliance to the authorizer.

Required reporting
The SPCSA requires that the charter school verify and certify compliance, in which case evidence of compliance would be at the disposal of the SPCSA for reference during monitoring. For example, the SPCSA may require that the charter school submit a list of teachers' proof of credentials on an annual basis. The SPCSA is passionate that schools act well to provide high quality educations to Nevada's children and focus maximum resources towards this vision.

The SPCSA also understands that excessive required reports may be burdensome on both the school and SPCSA and could cause the SPCSA to spend more time and resources monitoring reporting requirements than evaluating the school's performance outcomes.

To prevent unnecessary burden on both parties, while upholding its regulatory responsibilities, the SPCSA has established a calendar of required reports within a manual to clearly communicate regular reporting deadlines to its charter schools. The calendar outlines which reports the SPCSA requires, the form the reports should take, and the point(s) in the year when reports are due to the authorizer.

Third-party reviews
Another way to verify compliance is to seek reviews from a third-party reviewer (e.g., the SPCSA may rely on the special-education division of the State Education Agency for part of their assessment of compliance with special-education laws). This allows for the SPCSA to access expert opinions while at the same time reducing redundancy in review and evaluation of the school, which could tend to lower charter school autonomy.

Another form of third-party review could be the hiring of a consultant with the necessary expertise to verify compliance. If the SPCSA through initial review or from efforts to confirm complaints observes issues of potential noncompliance the SPCSA will work with the school to resolve the issue or award points accordingly.

Observed practice
The SPCSA may verify compliance for certain measures in the Organizational Framework through direct observation. For example, the SPCSA may observe mandatory state assessments to ensure compliance with required procedures.

Investigations
At times the SPCSA may receive complaints or assertions from individuals that a school is not in compliance. In most cases, the SPCSA will generally refer the complainant to the charter school board, which is responsible for investigating such cases. However, from time to time the SPCSA may receive complaints that it must investigate directly, especially if the complaint is a major infraction (e.g., school leadership is accused of cheating on state assessments) or if it involves the charter school board (e.g., accused violations of open meeting law). In some instances, the SPCSA itself may be required by law to take action or notify appropriate authorities, including the State Education Agency, of its findings. The Organizational Framework ratings process may consider information gleaned from investigations conducted by the SPCSA.

Ongoing Organizational Performance Framework Monitoring

The Organizational Performance Framework is meant to evaluate a school's compliance with existing requirements and to consider organizational processes only to the extent that they are mandated by law, rules, or regulations. However, even though many educational or organizational process measures may not be appropriate for performance-based

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accountability, they retain a critical place in school oversight. Authorizers can use process-related information gained from site visits and other means for several purposes, including:

- Monitoring schools that may not yet have sufficient outcome or compliance data
- Determining the degree to which issues reflected in the Performance Framework are systemic
- Providing supplemental information for high-stakes decisions

Annual Reporting

Each year and at the time of renewal, the SPCSA will report on the findings of its evaluation of the school's performance against organizational expectations. This report will clearly demonstrate to both charter schools and the public how each school has performed on the OPF The annual report acts as an important tool to notify schools of their strengths and areas for improvement so that schools understand where they need to improve and are not surprised by intervention, revocation, or non-renewal. The report also gives transparency to charter school accountability and provides important information about charter school quality to the public as a whole, but in particular to students and families who are searching for a high-quality school. The annual report also provides an opportunity for the SPCSA to document the school's shortcomings, should it need evidence of systemic issues with organizational effectiveness as a reason for recommending closure.

Intervention

The Intervention policy and procedures implemented by the SPCSA are contained in the SPCSA Charter School Performance Framework which should be consulted for questions regarding this matter.

High-Stakes Decision Making

The OPF is one of the primary tools for making high-stakes decisions, such as renewal, non-renewal, closure, or replication. The SPCSA will consider the collective record of a school's academic, financial, and organizational performance when making high-stakes decisions, though academic performance will be the most important factor in most decisions. Regardless of the point in the life of the charter, whether during an interim review or at the time of renewal, schools that have multiple occurrences where they fall below the standards may be considered for non-renewal or revocation.
At the end of a charter term, the SPCSA will analyze both static and trend data related to the organizational performance using the Performance Framework. It is important to analyze whether the school's performance in any one area is trending upward or downward, as that may impact both intervention and renewal decisions.

Updates

The SPCSA reserves the right to add/remove/edit additional obligations from time to time as it deems fit to achieve its mission to improve and influence public education in Nevada. Should changes to measures need to be made, or if additional measures needed to be added, SPCSA staff will bring those to the Authority for final approval. Non-substantive updates, such as updating statutes to reflect recent changes in law or regulation, may be done without Authority approval.

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Nevada State Public Charter School Authority (SPCSA)
Organizational Performance Framework
Appendix A

(Paste language and table below to school letterhead and complete)

School Board Certification of Compliance with the Organizational Performance requirements of the SPCSA

For the 20___ to 20___ School Year

The Board of the _____ (school) certifies to the State Public Charter School Authority (SPCSA) that it has reviewed, verified and, in a school board meeting, certified the compliance of its charter school to the requirements described in the SPCSA Organizational Compliance Technical Guide. The Board further certifies the school, to the best of our knowledge, and except as described below, has been in compliance with all applicable federal, state and local laws, regulations and ordinances as well as with its obligations through its charter contract with the SPCSA , from the start of the school fiscal year and throughout the school fiscal and educational year.

_____ _____

Signature Date

_____

Printed Name

_____

Board title (Chair or Vice Chair)

List open noncompliance issues below with remediation status.

	Compliance open issue	**Remediation Status**
1.		
2.		
3.		

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Nevada State Public Charter School Authority (SPCSA)
Organizational Performance Framework
Appendix B

SPCSA Organizational Performance Ratings Scorecard

For the _____, a SPCSA Public Charter School

For School Year Ending _____

Date _____

A "No" in any subsection does not necessarily result in a failing score for a that subsection, the greater section or the entire questionnaire. Points may be awarded ranging from 0 to the maximum shown for the indicator below. An overall score of 80 points (80%) is required for a Meets Standards Rating.

Indicator Point Breakdown

	Category	Points Possible	Points Earned	% Earned
1	Education Program	20		
2	Financial Management and Oversight	20		
3	Governance and Reporting	20		
4	Students and Employees	20		
5	School Environment	20		
	Total	**100**		

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

Indicator 1: Education Program (20 pts)

	Rating		
	MS	**DNMS**	**Notes**
Measure 1a (0 to 5 pts)			
Is the school implementing the material terms of the education program as defined in the current charter contract?			
Measure 1b (0 to 5 pts)			
Is the school complying with applicable education requirements?			
Measure 1c (0 to 5 pts)			
Is the school protecting the rights of students with disabilities?			

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Measure 1d (0 to 5 pts)			
Is the school protecting the rights of English Language Learner (ELL) students?			

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

Indicator 2: Financial Management and Oversight (20 pts)

	Rating		
	MS	**DNMS**	**Notes**
Measure 2a (0 to 5 pts)			
Is the school meeting financial reporting and compliance requirements?			
Measure 2b (0 to 5 pts)			
Is the school following Generally Accepted Accounting Principles (GAAP)?			
Measure 2c (0 to 5 pts)			
Is the school using the chart of accounts prescribed by the Department?			
Measure 2d (0 to 5 pts)			
Is the school meeting grant subrecipient compliance requirements?			

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

Indicator 3: Governance and Reporting (20 pts)

	Rating		
	MS	**DNMS**	**Notes**
Measure 3a (0 to 6.7 pts)			
Is the school complying with governance requirements?			
Measure 3b (0 to 6.7 pts)			
Is the school holding management accountable?			
Measure 3c (0 to 6.7 pts)			
Is the school complying with reporting requirements?			

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

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Indicator 4: Students and Employees (20 pts)

	Rating		
	MS	**DNMS**	**Notes**
Measure 4a (0 to 3.3 pts)			
Is the school protecting the rights of all students?			
Measure 4b (0 to 3.3 pts)			
Is the school meeting attendance goals?			
Measure 4.c (0 to 3.3 pts)			
Is the school meeting recurrent enrollment requirements?			
Measure 4d. (0 to 3.3 pts)			
Is the school meeting teacher and other staff credentialing requirements?			
Measure 4e (0 to 3.3 pts)			
Is the school complying with laws regarding employee rights?			
Measure 4f (0 to 3.3 pts)			
Is the school completing required background checks?			

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

Indicator 5: School Environment (20 pts)

	Rating		
	MS	**DNMS**	**Notes**
5.a. Facilities and Transportation			
Measure 5a (0 to 10.0 pts)			
Is the school complying with facilities and transportation requirements?			
Measure 5b (0 to 10.0 pts)			
Is the school complying with health and safety requirements?			

(MS = Meets Standards ; DNMS = Does Not Meet Standards)

The SPCSA reserves the right to add/remove/edit additional obligations from time to time as it deems fit to achieve its mission to improve and influence public education in Nevada. Should changes to measures need to be made, or if additional measures needed to be added, SPCSA staff will bring those to the Authority for final approval. Non-substantive updates, such as updating statutes to reflect recent changes in law or regulation, may be done without Authority approval.

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Nevada State Public Charter School Authority (SPCSA)
Organizational Performance Framework
Appendix C

SPCSA Organizational Performance Ratings

For the (EXAMPLE), a SPCSA Public Charter School

For School Year Ending _____

Date _____

A "No" in any subsection does not necessarily result in a failing score for a that subsection, the greater section or the entire questionnaire. Points may be awarded ranging from 0 to the maximum shown for the indicator below. An overall score of 80 points (80%) is required for a Meets Standards Rating.

Ratings Breakdown (EXAMPLE)(Meets Standards >= 80%)

	Category	Points Possible	Points Earned	% Earned
1	Education Program	20	20	100%
2	Financial Management and Oversight	20	18	90%
3	Governance and Reporting	20	15	75%
4	Students and Employees	20	20	100%
5	School Environment	20	20	100%
	Total	**100**	93%	93%

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State Public Charter School Authority Charter School Financial Performance Framework Technical Guide

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Acknowledgment

This workbook was developed in consortium by the Clark County School District Office of Charter Schools and the State Public Charter School Authority

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Introduction: Core Financial Performance Framework Guidance

The Financial Performance Framework is intended as a starting point for charter school sponsors to adopt and to evaluate a charter schools' financial well-being, health and performance as part of ongoing monitoring and the renewal decision making process. Charter schools have the autonomy to manage their finances consistent with state and federal law; however, sponsors must ensure that the schools they sponsor are financially stable. In the process of renewing or not renewing a charter school, sponsors must determine whether the school is not only academically and organizationally sound, but also financially viable.

The Financial Performance Framework provides sponsors a tool to identify schools currently in, or trending towards, financial difficulty and to proactively evaluate and address the problem. The guidance aligns with NACSA's Principles & Standards for Quality Charter School Authorizing (2012), which states that sponsors should, through a Performance Framework, set clear expectations for "financial performance and sustainability." The Financial Performance Framework was created after a review of model sponsor practices, charter school lender guidance, and expertise in the field. While the framework does not specifically mirror any single source, it was created to provide a clear picture of a school's past financial performance, current financial health, and potential financial trajectory.

Framework Structure

The Financial Performance Framework gauges both near-term financial health and longer-term financial sustainability. The framework includes indicators, measures and metrics. Targets and ratings are established by the individual sponsors.

It is designed to work with accrual-based information. Using modified accrual-based information should be avoided and may result in errant ratings. The Government-Wide or School-Wide Financial Statements are accrual based and consist of the Statement of Net Position and the Statement of Activities. The modified accrual statements include the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. These latter two statements may include the words Government Funds in their titles.

The Authority may still need to work with a school in the financial area, where law or regulations require, even if the school achieves Meets Standards ratings in this framework.

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Ratings and their Significance

The Financial Performance Framework facilitates rating a school's financial health by measuring the eight generally accepted areas of measurement of the financial health of a school as described in this technical guide. The eight measures gauge both near-term financial health and longer-term financial sustainability.

If the results of all eight measures meet standards then the school would receive a Meets Standards rating regarding its Financial Performance and health. If a school does not achieve a Meets Standards rating for all eight measures, it may be subject to further review by the charter school authority, a request for a plan of remediation or other action.

Poor financial performance measure ratings may trigger a Notice of Concern or a Notice of Breach. A Notice of Concern is sent to all charter schools whose financial framework profile results in at least one indicator scoring at "Falls Far Below Standard" or at least three indicators at "Does Not Meet Standard."

Continued or significant evidence of materially weak financial performance observed through ongoing oversight, and/or failure to make substantial progress towards remedying previously-identified concerns may result in further escalation within the intervention ladder, including a Notice of Breach or a Notice of Intent to Terminate.

Indicators

The Financial Performance Framework includes two indicators, or general categories, used to evaluate a schools' financial performance.

1. Near-Term

The portion of the framework that tests a school's near-term financial health is designed to predict the school's financial position and viability in the upcoming year. Schools meeting the desired standards demonstrate a low risk of financial distress for the coming year. Schools that fail to meet the standards may currently be experiencing financial difficulties and/or are at risk for financial hardship in the near term. These schools may require additional review and immediate corrective action on the part of the sponsor.

2. Sustainability

The framework also includes longer-term financial sustainability measures and is designed to predict a school's financial position and viability over time. Schools that meet the desired standards demonstrate a low risk of financial distress in the future. Schools that fail to meet the standards may be at risk for financial hardship in the future.

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The Authority also requires schools to submit quarterly financial statements and other financial and enrollment related information so the Authority and the state can monitor the financial health and well-being of its charter schools.

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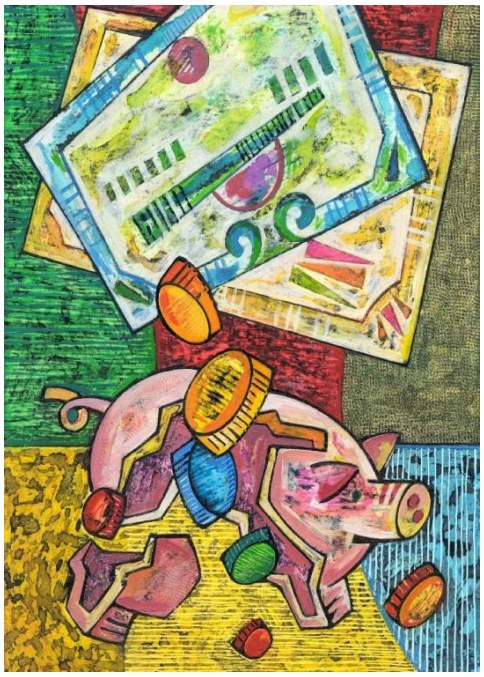
SECTION 1

NEAR TERM MEASURES



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Near Term Measure 1 - Current Ratio

Purpose - The current ratio depicts the relationship between a school's Current Assets and Current Liabilities. In addition, the Current Ratio is a financial ratio that measures the extent to which a school has enough resources to pay its debts over the coming 12 months. It compares a school's Current Assets to its Current Liabilities.

What is the formula?

$$\frac{\textbf{\textit{Total Current Assets}}}{\textbf{\textit{Total Current Liabilities}}} = \textbf{\textit{Current Ratio}}$$

Data source(s):

- Statement of Net Position

ABC Academy Example

$$\frac{\textit{Total Current Assets}}{\textit{Total Current Liabilities}} = \frac{\$197{,}115}{\$95{,}382} = \textbf{2.07 \textit{Current Ratio}}$$

Current Ratio is greater than or equal to (>=) 1.1

☐ Meets Standard

What is the metric used to determine school status?

Near Term Measure - Current Ratio
Current Assets / Current Liabilities
Meets Standard: ☐ Current Ratio is greater than or equal to (>=) 1.1. Or ☐ Current Ratio is greater than or equal to (>=) 1.0 and less than (<) 1.1 and one-year trend is positive. **Note**: For schools in their first or second year of operation, the Current Ratio must be greater than or equal to (>=) 1.1. **Does Not Meet Standard**: ☐ Current Ratio is greater than or equal to (>=) 0.9 and less than (<) 1.0. Or ☐ Current Ratio is greater than or equal to (>=) 1.0 and less than (<) 1.1 *and* one-year trend is negative. **Falls Far Below Standard**: ☐ Current Ratio is less than (<) 0.9.

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Near Term Measure 2 - Unrestricted Days Cash-On-Hand Ratio

Purpose - The Unrestricted Days Cash-On-Hand (UDCOH) ratio indicates how many days a school can pay its operating expenses without an inflow of cash. National standards state 60-120 days of cash-on-hand is considered a model practice.

What is the formula?

$$\frac{\boldsymbol{Annual\ Expense - All\ Noncash\ Expenses}}{\boldsymbol{365\ Days}} = \boldsymbol{Average\ Daily\ Expense}$$

$$\frac{\boldsymbol{Unrestricted\ Cash\ and\ Equivalents}}{\boldsymbol{Average\ Daily\ Expense}} = \boldsymbol{Unrestricted\ Days\ Cash\ On\ Hand}$$

Data source(s):

- Statement of Net Position
- Statement of Activities
- Notes to the audited financial statements or supplementary information

ABC Academy Example

Formula used to determine the Average Daily Expense

$$\$1{,}173{,}620 - \$10{,}000 = \frac{\$1{,}163{,}620}{365\ Days} = \boldsymbol{\$3{,}188\ Average\ Daily\ Expense}$$

Formula used to determine Unrestricted Days of Cash-On-Hand Ratio

$$\frac{\$245{,}528}{\$3{,}188} = \boldsymbol{77\ Days}$$

60 or more days of cash
☒ Meets Standard

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What is the metric used to determine school UDCOH status?

Near Term Measure - Unrestricted Days Cash-On-Hand Ratio
Average Daily Expenses: (Total Annual Expenses – Annual Depreciation - Amortization) /365
Unrestricted Days Cash-On-Hand: Unrestricted Cash and Equivalents / Average Daily Expense
Meets Standard: ☐ Unrestricted Days of Cash On Hand (UDCOH) 60 days or more. ☐ Exceptions for schools in year one or two of their original contract term: ○ Original Contract, Year 1 schools: 15 days or more ○ Original Contract, Year 2 schools: 30 days or more ○ Original Contract, Year 3 + schools: 60 days or more ○ All schools—including schools in their original contract term—showing operating deficits will be held to the normal 60-day standard. Or ☐ Greater than or equal to (>=) 30 and less than (<) 60 UDCOH *and* one-year trend is positive. A negative trend may still support a Meets Standard rating with adequate supporting documentation[1] from the school of a school board planned and approved cash reduction. **Does Not Meet Standard**: ☐ Days of cash is greater than or equal to (>=) 15 and less than (<) 30 days, except for original contract term first or second year schools. Or ☐ Days of cash is greater than or equal to (>=) 30 and less than (<) 60 UDCOH, *and* one-year trend is negative. A negative trend may still support a Meets Standard rating with adequate supporting documentation from the school of a school board planned and approved cash reduction. **Falls Far Below Standard:** ☐ Less than (<) 15 days cash, regardless whether school is in its original contract term.

Near Term Measure 3 - Enrollment Variance

Purpose - Enrollment variance tells sponsors whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations.

[1] An example of adequate documentation could be copies of the school's governing board Minutes from a year or two earlier approving a plan and decision to accumulate cash in order to deploy it in the acquisition of a campus and it being reasonably apparent that the cause of the negative trend was the approved, planned use of the cash.

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What is the formula?

$$\frac{\textbf{\textit{Actual Enrollment}}}{\textbf{\textit{Projected Enrollment}}} = \textbf{\textit{Percent Enrollment Variance}}^{2}$$

Data source(s):

- School enrollment reports submitted upon SPCSA/NDE request
- Actual Enrollment = Certified Count Day (Annually, October 1) enrollment
- Projected Enrollment = Charter school board-approved budgeted enrollment (Final or Amended Budget approved by school board and submitted to NDE and SPCSA for June 8 deadline)

ABC Academy Example

$$\frac{Actual\ Enrollment}{Projected\ Enrollment} = \frac{225}{210} = \mathbf{107\%}\ \textbf{\textit{Enrollment Variance}}$$

Enrollment variance equals or exceeds 95% in the most recent year. Charter schools with enrollment Variance less than 95% or greater than or equal to 110% of Projected Enrollment must check with the authority as they may be required to submit a Request For Amendment of their Charter Contract for changes of this magnitude.

☒ Meets Standard

What is the metric used to determine school status?

Near Term Measure - Enrollment Variance
Actual Enrollment / Projected Enrollment
Meets Standard: ☐ Enrollment variance is greater than or equal to (>=) 95% in the most recent completed year. ☐ For schools in their *original* contract term, not operating with a deficit, variance equals or exceeds: ☐ o Year 1: 90.0%; ☐ o Year 2: 92.5%; ☐ o Year 3+: 95%. ☐ For schools operating at a deficit, enrollment variance equals or exceeds: ☐ o 95% accuracy in the most recent year **Does Not Meet Standard**: ☐ Enrollment variance is greater than or equal to (>=) 85% but less than (<) 95% in the most recent year.

[2] In traditional finance, variance is calculated as the difference between actual and budgeted results and the amount of this difference is divided by the budgeted amount. Nevertheless, the above approach is used in the Education sector. Actual results divided by Projected results achieve the purpose of this variance measure.

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Falls Far Below Standard:
☐ Enrollment variance is less than 85% in the most recent year.

Near Term Measure 4 – Debt (or lease) Default

Purpose - The debt (or lease) default indicator addresses whether or not a school is meeting its loan or lease obligations or is delinquent with its debt service payments. Notes from the audited financial statements are used as the source of data. *In most cases this will not be applicable for charter schools that do not have an outstanding loan*.

What is the indicator?

Sponsors may consider a school in default only when the charter school is not making payments on its debt, or when it is out of compliance with other requirements in its debt covenants.

Data source(s):

- Statement of Net Position
- Notes to the audited financial statements.

ABC Academy Example

ABC Academy's notes to the audited financial statements indicate that the school is not making payments on its debt, or it is out of compliance with other requirements in its debt covenants.
☒ Falls Far Below Standard

What is the metric used to determine school status?

Near Term Measure - Debt Default
Notes to the audited financial statements.
Meets Standard: ☐ School is not in default of loan covenant(s) and is not delinquent with debt service payments. Or ☐ School does not have an outstanding loan. **Does Not Meet Standard**: ☐ Not Applicable. **Falls Far Below Standard**: ☐ School is in default of loan covenant(s) or is delinquent with debt service payments.

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SECTION 2

SUSTAINABILITY MEASURES

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Sustainability Measure 1 – Total Margin and Aggregated Three-Year Total Margin[3]

Total Margin measures the surplus or deficit a school generates from its total revenues less its expenses. It indicates whether the school is operating within its available resources. The measurement looks at each year—as well as—, where calculable, the school's aggregated three-year margin performance.

Nevada law and regulation prohibit deficit spending. A negative margin may mean a school is out of compliance with Nevada law, the Financial Performance Framework and the Organizational Performance Framework.

What is the formula?

Total Three Year Revenue - Total Three Year Expenditures = ***Three Year Net Surplus/Deficit***

$$\frac{\textbf{\textit{Total Three Year Net Surplus}}}{\textbf{\textit{Total Three Year Revenues}}} = \textbf{\textit{Aggregated Three Year Total Margin}}$$

Current Year Total Margin

$$\frac{\textbf{\textit{Current Year Net Surplus}}}{\textbf{\textit{Current Year Total Revenue}}} = \textbf{\textit{Current Year Total Margin}}$$

Data source(s):

- Three years of Statements of Activities with the most recent year counting as year 3 and the earliest (and oldest) of the three years counting as year 1.

ABC Academy Example

Revenue Year One = $700,000, Year Two = $750,000, Year Three = $775,000
Expenditures Year One = $704,000, Year Two = $746,000, Year Three = $770,000

Formula used to determine the total Three-Year Net Surplus (Deficit)

Year 1: $700,000 - $704,000 = -4,000 (-.57%)
Year 2: $750,000 - $746,000 = 4,000 (.53%)
Year 3: $775,000 - $770,000 = 5,000 (.65%)
-$4,000 + $4,000 + $5,000 = **$5,000 Aggregated Three Year Net Surplus**

[3] For purposes of this rating, adjusting net surplus for expenses related to an increase in Net Pension Liability is appropriate.

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Formula used to determine the total Three Year Revenue

$700,000 + $750,000 + $775,000 **= $2,225,000 Three Year Revenue**

Formula used to determine the Aggregated Total Margin

$$\frac{\$5{,}000}{\$2{,}225{,}000} = .225\% \textbf{ Aggregated Three Year Total Margin}$$

Most recent Total Margin is positive and, where calculable, the aggregated three-year Total Margin is positive.

☒ Meets Standard

What is the metric used to determine school status?

Sustainability Measure - Total Margin
Current Year Total Margin: Current Year Net Surplus / Current Year Total Revenue
Aggregated Total Margin: Total Three-Year Net Surplus / Total Three-Year Revenues
Meets Standard: ☐ The most recent year Total Margin is positive. The Aggregated Three-Year Total Margin, when calculable, is also positive. **Does Not Meet Standard**: ☐ Aggregated Three-Year Total Margin, when calculable, is negative ***or*** the most recent year Total Margin is negative. **Falls Far Below Standard**: ☐ Aggregated Three-Year Total Margin is negative *and* most recent year Total Margin is negative. **Note**: For schools in their first or second year of operation, substitute the "Aggregated Three-year Total Margin" with the "Total Margin."

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Sustainability Measure 2 - Debt to Asset Ratio

Purpose - The Debt to Asset Ratio measures the amount of debt a school owes compared to the assets they own; it measures the extent to which the school relies on borrowed funds to finance operations. A Debt to Asset Ratio greater than 1.0 indicates a school has more debt than it has assets to pay off said debt. It is a generally accepted indicator of potential long-term financial issues, as the organization owes more than it owns, reflecting a risky financial position. A ratio less than 0.9 indicates a financially healthy balance sheet, both in the assets and liabilities, and with the balance in the Net Position, or equity, account.

What is the formula?

$$\frac{(\boldsymbol{Total\ Liabilities - Net\ Pension\ Liabilities})}{\boldsymbol{Total\ Assets}} = \boldsymbol{Debt\ to\ Asset\ Ratio}$$

Data source(s):

- Statement of Net Position
- Net Pension Liability balance information
- Confirmation that employer contribution expenses are not backed out from Statement of Activities

ABC Academy Example

$$\frac{\text{Total Liabilites}}{\text{Total Assets}} = \frac{\$12{,}000}{\$20{,}000} = \mathbf{0.60\ Debt\ to\ Asset\ Ratio}$$

Debt to Asset Ratio is less than (<) 0.90
☒ Meets Standard

What is the metric used to determine school status?

Sustainability Measure - Debt to Asset Ratio
Total Liabilities / Total Assets
Meets Standard: ☐ Debt to Asset Ratio is less than (<) 0.90. **Does Not Meet Standard**: ☐ Debt to Asset Ratio is greater than or equal to (>=) 0.90 and less than or equal to (<=) 1.0. **Falls Far Below Standard**: ☐ Debt to Asset Ratio is greater than (>) 1.0.

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Sustainability Measure 3 – Cash Flow

Purpose - The Cash Flow measure compares changes in a school's end of year cash balances for cash balance growth as a sign of a school's financial health and well-being.

The "Total Cash" balances include the unrestricted and the restricted cash balances. The measurement reviews most recent year and, where applicable, prior year cash balances.

What is the formula?

For all most recent years where the information is calculable:

Year 3 Total Cash **-** *Year 1 Total Cash* = ***Multi-Year Cash Flow***

Year 2 Total Cash **-** *Year 1 Total Cash* = ***One Year Cash Flow***

Data sources:

- Three most recent years of Statement of Net Position (Assets: cash)--with year 3 being the most recent year and year 1 being the earliest or oldest year for which the annual financial report has been presented.

ABC Academy Example

Year 1 (Y1) = $38,000, Y2 = $40,000, Y3 = $42,000 in cash balances.

(Y3-Y1) $42,000 - $38,000 = **$4,000 Cash Flow increase**
(Y3-Y2) $42,000 - $40,000 = **$2,000 Cash Flow increase**

Cash Balances grew every year for the most recent years measurable.
☒ Meets Standard

Sustainability Measure - Cash Flow
Multi-Year Cash Flow = Year 3 (most recent year) Total Cash - Year 1 Total Cash
One Year Cash Flow = Year 3 Total Cash -Year 2 (prior year) Total Cash
Meets Standard: Y3-Y1 Cash Flow and cash balances (multi-year cash flow), where calculable, are positive. The most recent year Cash Flow is positive. Or, ☐ For schools in their original contract term, year 1 and year 2 schools, all years have a positive cash flow. In year 1, for a school in its original term, the year 0 balance is assumed to be zero. ☐ **Does Not Meet Standard**: ☐ Multi-year cash flow, where calculable, is negative *or* the most recent year cash flow is negative. **Falls Far Below Standard**:

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☐ Multi-year cash flow, where calculable, is negative *and* the most recent year cash flow is negative.

Notes:

1. A rating within this section may be adjusted for large capital investments resulting in cash balance declines-- only for schools not showing an operating deficit.
2. A school may Meet Standards even with a cash balance decline based upon the supporting documentation provided by the school, such as copies of school board approved minutes evidencing a facility acquisition plan which would draw down cash balances and the cash balance decline was a result of the approved spending plan.

Sustainability Measure 4 – Debt or Lease Service Coverage Ratio[4]

Purpose - The Debt or Lease Service Coverage Ratio indicates a school's ability to cover its debt or long-term lease obligations. *In most cases this will not be applicable for charter schools that do not have an outstanding facility loan or lease(s).* This ratio measures the degree to which a school can pay facility principal and interest due or lease payments based on the current year's net income and available cash. Depreciation expense and Amortization are added back to the net income because they are non-cash transactions. This means they are accounting transactions where no cash leaves the organization for that account name. They do not affect a school's ability to service its debt. The interest expense is added back to the net income to show the before-interest-expense available balance. It is also added to the denominator.

What is the formula?

$$\frac{\boldsymbol{Net\ Income + Depreciation + Interest\ Expense}}{\boldsymbol{Annual\ Principal\ +\ Interest\ Payments}} = \boldsymbol{Debt\ Service\ Coverage\ Ratio}$$

Data source(s):

- Statement of Net Position
- Statement of Activities
- Notes to the audited financial statements or supplementary information

ABC Academy Example

School obtains two year loan of $175,000 for facility renovations ($85,753 per year).
Formula used to determine the ratio indicating if the school can afford the loan.

[4] For purposes of this rating, adjusting net surplus for expenses related to an increase in Net Pension Liability is appropriate.

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$$\frac{\$100{,}000 + \$2{,}000 + \$5{,}439}{\$85{,}753 + \$5{,}439} = \frac{\$107{,}439}{\$91{,}192} = \mathbf{1.18\ Debt\ Service\ Coverage\ Ratio}$$

Debt (or long-term Lease) Service Coverage Ratio is equal to or exceeds 1.10.
☒ Meets Standard

What metric is used to determine the school's DSCR or LSCR level and rating?

Sustainability Measure - Debt (and/or medium/long-term Lease) Service Coverage Ratio
See formula above
Meets Standard: ☐ Debt or long-term Lease Service Coverage Ratio (DSCR or LSCR) is greater than or equal (>=) 1.10. Or ☐ School does not have an outstanding loan or long-term lease. **Does Not Meet Standard**: ☐ Debt or long-term Lease Service Coverage Ratio is less than (<) 1.10. **Falls Far Below Standard**: ☐ Not Applicable

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Glossary: Terms Used in the Financial Performance Framework

Accrual (or Full Accrual) Accounting: Method of accounting that records revenues and expenses when they are incurred, regardless of when cash is exchanged. A school acquiring a facility may show their annual "mortgage" payments under this approach but not the full cost of the facility as an expenditure on a financial statement in one of their annual reports. School-wide, classified as accrual, financial statements include: Statement of Net Position, Statement of Activities. *See also Modified Accrual.*

Annual Expenses: The yearly total of payments of cash or incurrence of a liability for the purpose of acquiring assets, or services or settling losses.

Assets: A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. These economic resources can be tangible or intangible. Assets might be financial in nature (like cash and accounts receivable) or nonfinancial (like buildings and equipment).

Audit: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties. Refer to Compliance Audit, Corrective Action Plan, Financial Audit, Performance Audit, and Single Audit.

Balance Sheet: A financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with generally accepted accounting principles (GAAP). Also, referred to as the Statement of Financial Position or Statement of Net Assets (not to be confused with Statement of Net Position, see below).

Basis of Accounting: The methodology and timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Refer to Accrual Basis, Modified Accrual Basis, and Cash Basis.

Cash Basis: A basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid, without regard to the period in which they were earned or incurred.

Cash Flow: Cash receipts minus cash disbursements from a given operation or fund for a given period of time.

Changes in Net Position: The difference between the net balance from one accounting period to the next.

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Consultant: An independent individual or entity contracting with an agency to perform a personal service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

Current Assets: Resources that are available, or can readily be made available, to meet the cost of operations or to pay current liabilities.

Current Liabilities: Obligations that are payable within one year from current assets or current resources.

Current Ratio: A financial ratio that measures whether or not an organization has enough resources to pay its debts over the next 12 months. It compares a firm's current assets to its current liabilities and is expressed as follows: current ratio = current assets divided by current liabilities.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts include bonds, accounts payable, and other liabilities. Refer to Bonds Payable, Accounts Payable, Liabilities, Long-Term Obligations, and General Long-Term Obligations.

Debt Service: The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt service is often calculated on a yearly basis.

Debt Service Coverage Ratio: Also known as "debt coverage ratio," is the ratio of cash available for debt servicing to interest, principal, and lease payments.

Debt Service Default: Occurs when the borrower has not made a scheduled payment of interest or principal.

Debt to Asset Ratio: A financial ratio that measures the proportion of an organization's assets that are financed through debt. It compares an organization's total assets to its total liabilities and is measured by dividing the total liabilities by the total assets. If the ratio is less than one, most of the organization's assets are financed through equity. If the ratio is greater than one, most of the organization's assets are financed through debt.

Deficit: Schools are not authorized to have expenses in excess of appropriations and should budget accordingly to always operate with a surplus of revenue over expenses.

Depreciation: The systematic and rational allocation of the cost of an asset over its useful life.

Financial Accounting Standards Board (FASB): FASB is the independent, private-sector, not-for-profit organization that establishes financial accounting and reporting standards for public and

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private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP).

Financial Audit: An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements of the school in conformity with Generally Accepted Accounting Principles. Refer to Audit.

Financial Statements: Written records that convey the business activities, financial performance and financial well-being of a charter school. SPCSA financial statements include: School-wide statements: Statement of Net Position, Statement of Activities; Fund statements: Balance sheet, Statement of Revenues, Expenditures and Changes in Net Assets; Other: Reconciliations and Budget to Actual; and Cash flow statement. See "Accrual Accounting" and "Modified Accrual Accounting" for other required statements.

Fiscal Period: Any period at the end of which a charter school determines its financial position and the results of its operations. Refer to Accounting Period.

GAAP: Refer to Generally Accepted Accounting Principles.

General Fund: The general fund is used to account for the financial activities of the charter schools not required to be accounted for in another account.

Generally Accepted Accounting Principles (GAAP): These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of Generally Accepted Accounting Principles (GAAP) to state and local governments is the Governmental Accounting Standards Board.

Governmental Accounting: The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

Governmental Accounting Standards Board: The Governmental Accounting Standards Board is the source of generally accepted accounting principles (GAAP) used by state and local governments and other public entities in the United States, including charter schools in Nevada. GASB establishes accounting and financial reporting standards for U.S. state and local governments that follow GAAP.

Income Statement: A financial statement that shows revenues and expenditures of an entity at a specified date in conformity with Generally Accepted Accounting Principles (GAAP). The full

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accrual statements are usually referred to as the (Government Wide) Statement of Activities. The modified accrual statements are usually referred to as the (Government Funds) Statement of Revenues, Expenditures, and Changes in Fund Balances.

Indicator: General categories of financial performance.

Interest Expense: The money the school pays out in interest on loans.

Interest Payable: A liability account reflecting the amount of interest owed by the school. In governmental funds, interest is to be recognized as an expenditure in the accounting period in which it becomes due and payable, and the liability is to be recorded as interest payable at that time. In proprietary and trust funds, interest payable is recorded as it accrues, regardless of when payment is actually due.

Interest Payment: The amount of interest that a school pays to a lender on a loan each month.

Interim Financial Statement: A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period to date.

Long-term Lease Service Coverage Ratio (LSCR): The ratio of cash available for long-term Lease servicing to meet lease payments. See also the "Debt Service Coverage Ratio (DSCR)."

Liabilities: Probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. These are economic obligations. The term does not include encumbrances.

Margin: The difference between revenues and expenses. The margin can refer to the gross margin (operating revenues less operating expenses) or the total margin (see Total Margin).

Measure: General means to evaluate an aspect of an indicator.

Metric: Method of quantifying a measure.

Modified Accrual Accounting: Method of accounting which "combines accrual basis accounting with cash basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred." A charter school acquiring a campus would likely show the total lump sum cost of the school in their annual report for the year the campus was acquired, instead of showing an annual mortgage payment and depreciation, under this reporting method. Modified Accrual Accounting financial statements are typically shown as "Governmental Fund Statements." They may include the following: "Balance sheet"; "Statement of Revenues, Expenditures and Changes in Fund

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Balances"; "Reconciliation of Fund Balance of Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position" and "Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities."

Net Assets: The difference between assets and liabilities. Refer to Fund Equity.

Net Income: A term used in accounting for proprietary funds to designate the excess of total revenues and operating transfers in divided by total expenses and operating transfers out for an accounting period.

Net Pension Liability: The difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries.

The Government Accounting Standards Board (GASB) Statement No. 68 requires the reporting of Net Pension Liabilities of all entities participating in the Public Employees' Retirement System of Nevada (PERS). However, per NRS 286.110(4) "The respective participating public employers are not liable for any obligation of the System." Consequently, the SPCSA's review nets the Net Pension Liability from the Liabilities of the school being reviewed. Schools should still have annual PERS contributions related expense obligations included in their expenses.

Net Surplus: The amount of revenue recognized after certain operating expenses have been deducted.

Principal: The amount of the loan excluding any interest.

Statement of Activities: A GASB GAAP Government-Wide full accrual financial statement that reports the net revenue of its individual functions, pursuant to GASB 34. An objective of using the net revenue format is to report the relative financial burden of each of the reporting government's functions on its taxpayers. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Statement of Cash Flows: A GASB GAAP financial statement for proprietary funds that provides relevant information about the cash receipts and cash payments of a government during a period. It categorizes cash activity as resulting from operating, noncapital financing, capital financing, and investing activities.

Statement of Net Position: A GASB GAAP Government-Wide full accrual financial statement, pursuant to GASB 34, that reports the difference between assets and liabilities as net assets,

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not fund balances or equity. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net assets are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Statement of Revenues, Expenditures and Changes in Fund Balances: A GASB GAAP Government Fund (modified accrual) financial statement. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to the net pension liability are only recorded when due.

Target: Threshold that signifies success for a specific measure.

Total Assets: The sum of all cash, investments, furniture, fixtures, equipment, receivables, intangibles, and any other items of value owned by a school.

Total Expenditure: The total costs of doing business; that is, the costs that must be incurred in order for a school to generate revenue or provide services.

Total Liabilities: The aggregate of all debts a school is responsible for.

Total Margin: Total revenues less total expenses.

Total Revenue: The total amount of a schools' sources of income (gross receipts and receivables).

Unrestricted Cash: Monetary reserves that are not restricted for a particular use; General funds are considered unrestricted cash, subject to legal restrictions for a public educational entity.

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EXHIBIT #2: Articles of Incorporation, if applicable

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