



Navigator Schools

NS Board Meeting

Date and Time

Tuesday April 28, 2020 at 6:00 PM PDT

This meeting will be by teleconference pursuant to Executive Orders N-25-20 and N-29-20.

The Board of Directors ("Board") and employees of Navigator Schools shall meet via the Zoom meeting platform. Members of the public who wish to access this Board meeting may do so online at <https://zoom.us/join> or via telephone by calling the Zoom phone number: [+1 669 900 6833](tel:+16699006833) or [+1 346 248 7799](tel:+13462487799). The meeting ID is: **929 5753 8088**. The meeting password is: **734857**.

Members of the public who wish to comment during the Board meeting may use the "raise hand" tool on the Zoom platform. Members of the public attending by phone may direct their request to speak to the Zoom meeting host.

Individual comments will be limited to three minutes. If an interpreter is needed, comments will be translated into English and the time limit shall be six minutes. At its discretion, the Board may limit the total time allotted to public comments and set new limits for the number of minutes for individual comments. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.

Requests for disability-related modifications or accommodations to participate in this public meeting should be made 24 hours prior to the meeting by calling (831) 217-4894. All efforts will be made for reasonable accommodations. The agenda and public documents can be modified upon request as required by Section 202 of the Americans with Disabilities Act.

An archive of board meeting agendas and minutes is maintained at the Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023. Please telephone (831) 217-4894 for more information.

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:00 PM
Opening Items			
A. Record Attendance and Guests		Caitrin Wright	2 m
B. Call the Meeting to Order		Caitrin Wright	3 m
C. Approve Minutes of Emergency Board Meeting, March 16, 2020	Approve Minutes	Caitrin Wright	1 m
D. Approve Minutes of Prior Board Meeting, February 4, 2020	Approve Minutes	Caitrin Wright	1 m
E. Public Comments		Caitrin Wright	3 m
<p>The Board will receive public comments regarding non-agenda items, if any, at this time, following expectations and time limits as outlined by the Board Chair (listed under Notice at the top of this agenda).</p>			
II. Topical Items			6:10 PM
A. COVID-19 Response and Impact Report	Discuss	Kevin Sved	30 m
<p>Board members will discuss the report on the impact of the COVID-19 pandemic and the response of Navigator Schools.</p>			
B. Paycheck Protection Program Acceptance	Vote	Kevin Sved	5 m
<p>Members will vote on the approval of Resolution 2020-09 regarding acceptance of a loan through the Small Business Administration's Paycheck Protection Program.</p>			
C. Watsonville Prep School Facilities	Vote	Kevin Sved	25 m
<p>K. Sved will review updates and next steps relating to long-term facilities for Watsonville Prep School, including consideration of 407 Main preconstruction expense authorization, consideration of ExEd financing for the 407 Main Street Project, and consideration of a lease of 407 Main Street, Watsonville.</p>			

	Purpose	Presenter	Time
D. Organizational Priorities Updates	FYI	Kevin Sved	3 m
K. Sved will present highlights from written reports provided in the agenda packet.			
III. Committee Items			7:13 PM
A. Finance Committee Report	FYI	Joyce Montgomery	5 m
J. Montgomery will present an update on the latest activities of the Finance Committee, including 2020-21 budget planning and financials through March 31, 2020.			
B. Recognition of Joyce Montgomery, Board Member	Discuss	Caitrin Wright	10 m
C. Wright will lead recognition of Joyce Montgomery for her service on the Navigator Schools Board.			
C. Governance Committee Report	FYI	John Flaherty	3 m
J. Flaherty will present an update on the latest activities of the Governance Committee.			
D. Board Treasurer Election	Vote	Caitrin Wright	2 m
The Board will nominate and vote on the election of a new NS Board Treasurer.			
IV. Consent Agenda			7:33 PM
A. Consent Agenda	Vote	Caitrin Wright	2 m
Board members will vote on the approval of the consent agenda, including: Consolidated Application (ConApp), State Teachers' Retirement System (STRS) Agreement, Public Charter Schools Grant Program (PCSGP) Budget Revision for Transportation, Watsonville Prep School Second Interim Report, and approval of the Proposition 39 Offer for Watsonville Prep School.			
V. Closed Session			7:35 PM
A. Public Announcement of Reasons for Closed Session	FYI	Caitrin Wright	2 m
The Board Chair will announce reasons for the closed session to the public.			

	Purpose	Presenter	Time
<p>B. Closed Session: Delegate Authority to CEO to Execute Lease and Related Financing Terms for 407 Main Street</p> <p>The board will consider delegating authority to the CEO to execute a lease agreement and related financing terms for 407 Main Street project.</p>	Vote	Kevin Sved	15 m
<p>C. Closed Session: Real Property Negotiation, Hollister Prep School</p> <p>The Board will consider the approval of a purchase agreement with South Street LLC to acquire vacant land for Hollister Prep School.</p>	Vote	Kevin Sved	5 m
VI. Return to Open Session			7:57 PM
<p>A. Public Report of Actions Taken During Closed Session</p> <p>C. Wright will report actions taken during closed session.</p>	FYI	Caitrin Wright	1 m
VII. Closing Items			7:58 PM
<p>A. Adjourn Meeting</p> <p>Board members will vote on the adjournment of the meeting.</p>	Vote	Caitrin Wright	2 m

Coversheet

Approve Minutes of Emergency Board Meeting, March 16, 2020

Section: I. Opening Items
Item: C. Approve Minutes of Emergency Board Meeting, March 16, 2020
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for NS Emergency Board Meeting on March 16, 2020

APPROVED



Navigator Schools

Minutes

NS Emergency Board Meeting

Date and Time

Monday March 16, 2020 at 12:00 PM

Location

Due to community health concerns this meeting will be held via teleconference, with one publicly accessible location at the Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023.

Teleconference Locations

- Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023

Individuals requiring a disability-related accommodation, modification, or auxiliary aid/service, should submit requests to Sean Martin via phone (831-217-4894) or [Email](mailto:smartin@navigatorschools.org) (smartin@navigatorschools.org).

An archive of board meeting minutes is available for public view at the Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023.

Directors Present

Caitrin Wright (remote), JP Anderson (remote), John Flaherty (remote), Joyce Montgomery (remote), Nora Crivello (remote), Victor Paredes-Colonia (remote)

Directors Absent

Fiaau Ohmann

Guests Present

Kevin Sved (remote), Sean Martin

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Caitrin Wright called a meeting of the board of directors of Navigator Schools to order on Monday Mar 16, 2020 at 12:06 PM.

C. Public Comments

There were no public comments.

II. Topical Items

A. COVID-19 Update

K. Sved and K. Carr reviewed the latest status of district, city, county, and state responses to the COVID-19 pandemic. K. Sved reviewed current proposals for site planning schedules by week, potential distance learning efforts, wifi provision, shelter in place procedures, and parent technology surveys. Members provided advice and feedback, including praise for recently developed website-based learning resources for Navi students.

B. School Closures: Resolution 2020-06

Caitrin Wright made a motion to approve the resolution.
John Flaherty seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

Joyce Montgomery	Aye
John Flaherty	Aye
Fiaau Ohmann	Absent
JP Anderson	Aye
Caitrin Wright	Aye
Victor Paredes-Colonia	Aye
Nora Crivello	Aye

The resolution passed unanimously without discussion.

C. Authorization of Emergency Powers: Resolution 2020-07

Caitrin Wright made a motion to approve the resolution.
John Flaherty seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

John Flaherty	Aye
Joyce Montgomery	Aye
Fiaau Ohmann	Absent
Caitrin Wright	Aye
JP Anderson	Aye
Nora Crivello	Aye
Victor Paredes-Colonia	Aye

The resolution passed unanimously without discussion.

D. Resolution 2020-05: Signing Authority

Caitrin Wright made a motion to approve the resolution.

John Flaherty seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

Fiaau Ohmann	Absent
Caitrin Wright	Aye
Nora Crivello	Aye
Joyce Montgomery	Aye
JP Anderson	Aye
John Flaherty	Aye
Victor Paredes-Colonia	Aye

The resolution passed unanimously without discussion.

III. Closing Items

A. Adjourn Meeting

Caitrin Wright made a motion to adjourn the meeting.

John Flaherty seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

Caitrin Wright	Aye
Joyce Montgomery	Aye
Nora Crivello	Aye
John Flaherty	Aye
JP Anderson	Aye
Victor Paredes-Colonia	Aye
Fiaau Ohmann	Absent

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 12:33 PM.

Respectfully Submitted,
Sean Martin

Documents used during the meeting

- Academic Team Update.pdf
- Communication and Community Resource Plan COVID-19.pdf
- Student Services Response to COVID-19.pdf
- Site Office FAQ COVID-19.pdf
- BR 2020_06 School Closures.pdf
- BR 2020_07 Emergency Powers.pdf
- BR 2020_06 Signing Authority.pdf
- BR 2019_07 Emergency Powers.pdf
- BR 2019_06 School Closures.pdf
- BR 2019_05 Signing Authority.pdf

Coversheet

Approve Minutes of Prior Board Meeting, February 4, 2020

Section: I. Opening Items
Item: D. Approve Minutes of Prior Board Meeting, February 4, 2020
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for NS Board Meeting on February 4, 2020

APPROVED



Navigator Schools

Minutes

NS Board Meeting

Date and Time

Tuesday February 4, 2020 at 6:00 PM

Location

Gilroy Prep School, 277 IOOF Ave, Gilroy, CA 95020

Teleconference Locations

- Hollister Prep School, 881 Line Street, Hollister, CA 95020
- Watsonville Prep School, 201 Brewington Avenue, Watsonville, CA 95076

Individuals requiring a disability-related accommodation, modification, or auxiliary aid/service, should direct their requests to Sean Martin via phone (831-217-4894) or [Email](mailto:smartin@navigatorschools.org) (smartin@navigatorschools.org).

An archive of board meeting minutes is available for public view at the Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023.

Directors Present

Caitrin Wright, Fiaau Ohmann, JP Anderson, John Flaherty, Joyce Montgomery, Nora Crivello, Victor Paredes-Colonia

Directors Absent

None

Guests Present

James Heugas, Sean Martin, Wayne Strumpfer

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Caitrin Wright called a meeting of the board of directors of Navigator Schools to order on Tuesday Feb 4, 2020 at 6:04 PM.

Caitrin Wright made a motion to to place agenda item 2.C. after agenda item 1.B.

JP Anderson seconded the motion.

The board **VOTED** unanimously to approve the motion.

C. Approve Minutes of Prior Board Meeting, December 10, 2019

Nora Crivello made a motion to approve the minutes from NS Board Meeting on 12-10-19.

Victor Paredes-Colonia seconded the motion.

The board **VOTED** unanimously to approve the motion.

D. CEO Report

The CEO reviewed recent professional development, survey, and dissemination activities, including the departure of H. Parsons at the end of the current academic school year. Board members made suggestions regarding communication opportunities with parents focusing on school culture. They also discussed strategies for promoting attendance and health.

E. Public Comments

There were no public comments.

II. Topical Items

A. Prop. 39 District Response, Resolution 2020-01

JP Anderson made a motion to approve Resolution 2020-01.

Victor Paredes-Colonia seconded the motion.

The board **VOTED** unanimously to approve the motion.

K. Sved discussed the status of district responses to Proposition 39 requests for Navigator school sites, including a request on the part of Pajaro Valley Unified School District for additional time to submit its response after the deadline. Key dates and next steps were reviewed.

B. 407 Main Street Project Update and Next Steps

James Heugas from Pacific Charter School Development joined the meeting as a guest to address this item. K. Sved reviewed the current status of the project, including studies required by the city planning department. J. Heugas shared opinions regarding additional studies. Board members discussed civic and political climate, project funding, and enrollment.

C. Board Training: Senate Bill 126

Wayne Strumpfer, from Young, Minney & Corr, LLC, led a board training focusing on Senate Bill 126 and Form 700. He offered advice for completing the form and answered questions.

D. Finance Committee Report

Recent committee activities were summarized by J. Montgomery, including an ongoing project to shift to accrual method accounting systems. A vote to approve committee minutes was listed in error in the for the three NS committees ("discussion" should have been listed as the activity category). The NS Board does not approve committee minutes (rather they are approved at the committee level).

E. Governance Committee Report

Recent committee activities were summarized by J. Flaherty, including Form 700 training, board member recruitment, and positive articles about Navigator Schools in the media.

F. Board Member Terms Resolution

Caitrin Wright made a motion to approve Resolution 2020-03 (Board Terms).
 Joyce Montgomery seconded the motion.
 The board **VOTED** to approve the motion.

Roll Call

Nora Crivello	Aye
John Flaherty	Abstain
JP Anderson	Aye
Joyce Montgomery	Aye
Caitrin Wright	Aye
Fiaau Ohmann	Abstain
Victor Paredes-Colonia	Aye

C. Wright spoke to the importance of board sustainability.

G. Academic Success Committee Report

Recent committee activities were summarized by C. Wright. She highlighted the importance on interim data reports in addition to annual ones. She outlined short-term and long-term goals of the committee and how information generated by the committee could engage external parties and provide an onramp to board recruitment and participation.

H. Board Dashboard Review

S. Martin provided an overview of dashboard design modifications and important data updates. The Board asked questions regarding the process by which targets are determined and potentially revised. They expressed interest in exploring this process further during the next board meeting. Members also discussed the prioritization of metrics and leading versus trailing indicators. They made suggestions regarding the further development of a system of analysis to accompany data. Members were also interested in how the senior leadership team views the information in terms of process as well as format. J. Flaherty thanked S. Martin for his work on the dashboard.

I. Preliminary 2020-21 Budget, Resolution 2020-02

John Flaherty made a motion to approve Resolution 2020-02.

Caitrin Wright seconded the motion.

The board **VOTED** unanimously to approve the motion.

A. Ortiz provided an overview of the preliminary budget and the related resolution. Board members asked clarifying questions regarding salary increases, including rates of increases and salary bands.

J. Local Control and Accountability Plan (LCAP) Process

A. Ortiz provided a presentation with slides outlining the LCAP process and its alignment to the Navigator Compass Points.

K. Dissemination Pilot

H. Parsons and J. Dent led a presentation summarizing Navigator's model dissemination efforts. Key topics included: Core 3, the Navi Learning website, and lessons learned from recent partnerships. Members asked clarifying questions, including how dissemination efforts improve Navigator Schools, cost, and transition to a new dissemination lead after the departure of H. Parsons at the end of the school year. J. Dent listed six key questions for the board to consider, and the board addressed the questions. The Board explored issues of funding and potential expansion of dissemination efforts within the context of broader organizational goals. The Board thanked H. Parsons and J. Dent for their efforts and the presentation.

L. Draft 2020-21 Organizational Priorities

The Board decided to defer this topic to a future meeting.

M. Consent Agenda

Joyce Montgomery made a motion to approve the consent agenda.

Nora Crivello seconded the motion.

The board **VOTED** unanimously to approve the motion.

III. Closed Session

A. Public Announcement of Reasons for Closed Session

C. Wright announced the reason for the closed session.

B. Closed Session: Real Property Negotiation, Hollister Prep School

IV. Return to Open Session

A. Public Report of Actions Taken During Closed Session

There were no actions taken during the closed session.

V. Closing Items

A. Adjourn Meeting

JP Anderson made a motion to adjourn the meeting.

Joyce Montgomery seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:20 PM.

Respectfully Submitted,
Sean Martin

Documents used during the meeting

- Protect and Grow Memo February 2020.pdf
- Staff Survey Memo February 2020.pdf
- Intervention Priority Memo February 2020.pdf
- Prop 39 Preliminary Offer and Response.pdf
- 407 Update.pdf
- Board Training Memo Transparency Laws.pdf
- Nov 30 2019 Financials.pdf
- BR 2020_03 Second Terms for Two Board Members.pdf
- Board Dash Memo and Docs Feb 2020.pdf
- Preliminary Budget 2020_2021.pdf
- Salary Authorization Memo and Resolution.pdf
- Dissemination Memo February 2020.pdf

- BR 2020_04 Meeting Location Memo and Resolution.pdf
- Auditor Selection Memo.pdf
- SARC Memo 2019_2020.pdf
- WPS First Interim Report and Memo.pdf

Coversheet

COVID-19 Response and Impact Report

Section: II. Topical Items
Item: A. COVID-19 Response and Impact Report
Purpose: Discuss
Submitted by:
Related Material: COVID-19 Update April 2020.pdf
ITOM Memo April 2020.pdf
Distance Learning Plan Spring 2020.pdf



Date: April 20, 2020
To: Board of Directors
Submitted By: Kirsten Carr
Subject: Response to COVID-19

Background

As with all of our California counterparts and most schools across the country, all Navigator campuses have been facing physical closures since March 13. For the past five weeks our students, staff, and families have been navigating the waters of distance learning and working to create a structure to best address this new normal.

Actions

Navigator's response to the COVID-19 impact on schools was compartmentalized into instructional and operational activities with consistent cross-collaboration to establish the best all-around approach to this new normal.

Distance Learning

To ensure students could utilize online resources, staff conducted a Wi-Fi access survey and determined 90 families needed to be provided with internet assistance and/or hot spots. Starting March 23rd, students began the first phase of distance learning which predominantly focused on printed packets and supplying all students with a device loaded with educational programs. The activities were designed to be completed on a schedule convenient for parents.

Navionline.org was launched on March 30th with structured educational activities for grade spans. These lessons included Humanities and STEM screencasts, blended learning programs, PE videos, and enrichment opportunities. Students could access and complete the programs on their own time frame with instructional staff available to assist with questions and concerns. This Phase I of distance learning was utilized while the Navigator Academic Leadership Team worked to create Phase II which was launched on April 20th (please see the Distance Learning Board report for more details)

The Student Services Team has worked closely with the site leadership teams in their efforts to meet the needs of students with special needs. Paraprofessionals are meeting with their students via Zoom and telephone calls. (Please see the Distance Learning update for more information)

Navigator will be conducting a series of parent surveys to guide distance learning protocol with the initial survey sent on 4/16. The survey is still open with current findings listed below:

1. How supported do you feel by your child's school?
 - a. Very supported/supported: 83%
2. Please choose your level of satisfaction - The communication I receive from Navigator Schools is relevant and easy to understand.

- a. Very satisfied/satisfied - 88%
3. Please choose your level of satisfaction - I have received consistent messaging about Navigator Schools' response to COVID-19.
 - a. Very satisfied/satisfied - 92%
4. Since we started distance learning there have been:
 - a. Just the right amount of schoolwork assignments - 66%
 - b. Too many assignments - 14%
5. Since we started distance learning my child's teachers:
 - a. Provided enough instructions to complete the assignments - 76%

Meal Services

Providing meals for our students during this time has been of utmost importance to the food services team and students have not gone without meals at all since schools closed physical campuses. Families can pick up breakfast and lunch for all children in their household on Mondays for the week. The amount of meal counts has been increasing weekly with the current week seeing 250 families pick up meals from GPS and 215 from WPS. HPS is serviced by the Hollister School District so we do not have those numbers.

Family Support Services

Families are facing numerous challenges as unemployment numbers rise and their needs are much broader than just educational support. Communication logs are set up by site to capture the conversations instructional staff is having with families and highlight if the family is experiencing a need beyond educational support. Community Engagement staff has a caseload of 50-60 families they are supporting through unemployment application assistance, food bank referrals, and housing connections. Site counselors are also in constant communication with the students on their caseloads to provide support and assistance.

Impact on Staff

On the morning of Friday, March 13th staff came to work thinking it was a normal day of educating Navigator's 1254 students. No one knew when they left that day they wouldn't be teaching their children in their classrooms for the remainder of this school year. This change has impacted them in ways we are still discovering and the Support Office team is continuing to explore opportunities to meet their needs while they educate our students.

As per federal law, staff was informed about the leave opportunities available to them if they were either diagnosed with the COVID-19 virus, caring for someone who had been diagnosed, or unable to perform their duties as needed because of other COVID-19 related complications. No Navi staff member took leave and instead we had two staff members return from maternity leave early to provide support to students and staff.

The expectations of staff vary by position with coaches and site leaders working together to ensure organizational needs are being met and staff is not being overtasked for an extended period of time. Human Resources staff contacted all yard duty staff to discuss redeployment opportunities to assist with food services, engagement, and/or instructional needs. These types of redeployment will continue to help with IT needs and other hot spots that arise.

In addition to constant email updates, staff have participated in weekly all-staff Zoom meetings where the leadership team has incorporated network updates with games and a little bit of the joy factor. Staff was also surveyed to gauge their stress level as well as the areas of need during this new phase of educating.

Staff Survey Results

Please rank your level of stress after 2 weeks of conducting distance learning activities:

High stress 10%

Stressed but managing 47%

Tense but got this 39%

Cool as a cucumber 3%

Concerns included:

- Balancing workload for students with level of support they receive at home
- How to balance teaching students while also homeschooling children
- Concerns for students who may fall behind
- Amount of Zoom meetings

Preparing for Impact

We all know the effects of the long term shelter-in-place orders are going to have both fiscal and educational impacts on our organization. Through daily Directors and Chiefs meetings the team has been preparing for a variety of scenarios.

- *Enrollment and Recruitment* - Navigator held a virtual lottery on April 11th for all three school sites. After the lottery was conducted, each site has a waitlist:
 - GPS - 404
 - HPS - 220
 - WPS - 88Office staff and the engagement team will maintain consistent contact with the new families to keep them engaged and invested.
- *Summer learning* - the summer school team is preparing for both an extended distance learning session as well as the possibility of a social distancing format. The team is planning for more students than are usually enrolled in summer school.
- *Fiscal impact and planning* - The true fiscal impact is relatively unknown at this point but Navigator leadership is creating several scenarios which could absorb financial losses in the worst-case scenarios. Possible solutions include hiring and salary freezes, increased class size, and staff reassignments. Each possible action has significant consequences for sites which will be discussed at the board level. Navigator has been incredibly fortunate to receive financial assistance during this time from the Charter School Growth Fund and the Hastings Foundation. Staff is pursuing additional funding opportunities to assist with COVID-19 related needs.

Navigator staff is continuing to stay involved with its authorizers at all sites and will modify any planned activity as new information is received by the state.



Date: 04/20/20

To: Navigator Schools Board of Directors

From: Benjamin Moeller, Director of ITOM

Subject: COVID-19 Update

In these extraordinary times, it takes extraordinary people to support an organization and community to keep moving forward in education and life. I am so proud of the efforts, dedication, and support every ITOM and Office team member have put forth in the last few weeks during this new season our world is in.

Thank you to the Directors and Chiefs for their support and trust. Thank you to David Lebarre, Alex Mijares, and Javier Medina for leading and supporting ITOM alongside me through these uncertain and unnerving times. Thank you to all ITOM and Office team members for their daily commitment to our staff, students, and community.

Overall Update and Next Steps

ITOM has been working diligently on keeping our campuses safe and clean, while providing meals to our families, packets to our families, and IT support to our staff and students. As we go from stabilizing the new processes and procedures in this season, ITOM begins to look into the summer and next school year. May could provide an opportunity to begin summer cleaning and maintenance and time to plan possible scenarios for Summer School.

Operations & Maintenance Update and Next Steps

The operations and maintenance team have been wonderful keeping our sites sanitized and providing meals to our families. Between GPS and WPS we are now serving over 450 boxed meals. These boxed meals include 5 days of breakfast and 5 days of lunch. Our HPS families are served meals through Hollister School District. Our next steps for the Operations team is begin looking into summer cleaning and maintenance for the month of May. We will also be looking into providing meals for our families in the summer as well.

Office Update and Next Steps

The school offices have been printing out packets every week and providing those packets to our families every week curb side. Also, we just had our lottery for next school year, so our office staff are calling families to begin the acceptance and registration process for next school year. Our office staff are planning to be begin preparing for the summer and next school year in May.

Information Technology Update and Next Steps

The IT team have sanitized all technology. The IT team, with support, checked out over 1200 devices across all 3 schools to students for distance learning. Also, over 60 hotspots have been given out to families in need of WiFi at home. IT Team is updating technology support procedures to provide better support for distance learning. The IT team is looking to the month of May to begin summer IT maintenance.



Date: 04/20/20
To: Navigator Schools Board of Directors
From: James Dent (CAO)
Subject: Distance Learning April-June, 2020

Objectives

- 1) The Board will receive an update on Navigator's Distance Learning plan for this spring
- 2) The Board will be made aware of next steps in Navigator's Distance Learning plan for spring

Distance Learning Plan

Navigator rolled out a two-phase approach to distance learning. For the first two weeks prior to spring break, all students received iPads and weekly packets. Teachers focused on communicating with families to make personal connections and identify who had access to wifi and who did not. Student Services department staff began holding amendment IEP meetings to adjust student IEPs to match the distance learning limitations. At this point, there was no guidance from the state requiring student work to be mandatory.

Phase 2 Shifts

Upon return from spring break on April 13, Navigator's IT department began deployment of internet "hot spots" to some seventy families. As this technology is critical for distance learning activities, the online expectations for students and teachers were rolled out to launch during the weeks of April 20th and April 27th. Teachers began tracking student performance as a means to develop a fourth quarter report card. Because of the difficulties of rolling our distance learning mid-year, grades will be participation based and based on teacher discretion due to lack of connectivity or other family issues that some students may be facing. The Student Services department began providing support to students with IEPs through zoom meetings, phone calls and some Facetime meetings. Annual and triennial IEP meetings were also held with parents to maintain compliance with special education laws.

See below for further detail on which activities were slated to begin each week.

Initiatives Launching April 20th

- Khan Academy added to our math program in grades 2-8
- Accelerated Reader (AR) from home launched but will not be part of student grades nor is it a requirement for students.
- Teachers will continue to produce packets for printing each week.
- Daily practice will be housed on Google Classroom for grades 3-8. This platform will

allow teachers to communicate directly with students via chat and students will be able to virtually "turn in" selected activities.

- Coaches will return to working with staff at the site level. Principals created new coaching assignments.
- Coaches developed weekly Zoom schedules and office hours with grade level teams to support live instruction and communicated this schedule to families by April 22nd.

Initiatives Launching April 27th

- In Quarter 4 students will be graded on participation through:
 - Meeting weekly blended learning goals which will remain the same
 - Actively participating in the daily practice for STEM and Humanities
- Teachers will track primary data using site data trackers that will be used to:
 - Determine participation grades for blended and daily practice
 - Determine which families are not participating and need to be contacted
- All students will be provided an opportunity of a minimum of 30 minutes per day for STEM or Humanities instruction in live meetings. Principals will make available additional support staff for grade levels that would like help for these meetings. The live meetings can take the form of:
 - Whole group direct instruction
 - Classroom / grade-level huddles
 - Daily review of instructional slides
 - Small group instruction
 - Leveled group instruction
 - Blended support
 - Intervention
 - Other instruction
 - SEL meetings
 - Special projects
- Each teacher will hold at a minimum of two hours per week as "Office Hours" to support students needing individualized support.

Next Steps

1. Continue to support families in acquiring wifi connections in their homes
2. Continue to find the most effective practices for kindergarten and first grade students
3. Build a robust summer learning program
4. Be prepared for a prolonged school closure scenario if Covid-19 shelter in place orders continue into fall

Coversheet

Paycheck Protection Program Acceptance

Section: II. Topical Items
Item: B. Paycheck Protection Program Acceptance
Purpose: Vote
Submitted by:
Related Material: BR_2020-09 Paycheck Protection Res and Docs.pdf

BOARD RESOLUTION 2020-09

April 28, 2020

Authorization of Loan Acceptance from Paycheck Protection Program

A RESOLUTION OF THE BOARD OF DIRECTORS of Navigator Schools regarding the acceptance of a \$1,765,000 loan through the Paycheck Protection Program:

WHEREAS challenges inherent to an unprecedented public health crisis continue to evolve as a result of the COVID-19 pandemic,

WHEREAS the Navigator Schools Board of Directors agrees that current economic uncertainty makes this loan request necessary to support the ongoing operations of Navigator Schools,

WHEREAS the Navigator Schools Board of Directors confirms that Navigator Schools meets the requirements of the Paycheck Protection Program administered by the United States Small Business Administration, and

WHEREAS the Navigator Schools CEO with support of the Director of Business and Finance submitted the loan application for the Paycheck Protection Program through Merchant Bank and was approved for \$1,765,000 (2.5 x average monthly payroll of \$706,000),

RESOLVED, the Navigator Schools Board of Directors authorizes the CEO to accept the loan of \$1,765,000 provided through the Paycheck Protection Program.

The officers of this corporation are authorized to perform the acts necessary to carry out this resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of Navigator Schools at a regular meeting held on April 28 via teleconference.

Caitrin Wright
Board Chair
Navigator Schools, a California Nonprofit Public Benefit Corporation

The Secretary of the Corporation certifies that the above is true and copy of the resolution that was duly adopted at the dated meeting of the Navigator Schools Board of Directors.

John Flaherty, Secretary

Date



**Paycheck Protection Program
Application Form**

OMB Control No: 3245-0407
Expiration Date: 09/30/2020

Non-Profit <input checked="" type="checkbox"/> Vet Org <input type="checkbox"/> Tribal <input type="checkbox"/> Ind. Cont. <input type="checkbox"/> Self Employed <input type="checkbox"/>		DBA or Tradename if applicable	
Business Legal Name			
Navigator Schools			
Business Primary Address		Business TIN (EIN,SSN)	Business Phone
650 San Benito St., Ste. 230		27-4238843	(831)217-4881
Hollister CA 95023		Primary Contact	Email Address
		Ami Ortiz	ami.ortiz@navigatorschools.org

Average Monthly Payroll:	\$706,000	X-2.5 equals Loan Amount:	\$1,765,000	Number of Jobs:	188
Purpose of the loan (select more than one):					
<input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain):					

Applicant Ownership

List all owners of Applicant with greater than 20% ownership stakes. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN,SSN)	Address
Non-Profit Board of Directors		N/A		

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Business or any owner presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Business, any of its owners, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Business or any owner an owner of any other business or have common management with any other business? If yes, attach a listing of all Affiliates and describe the relationship as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has the Business received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Applicants who are individuals and all 20% or greater owners of the business must answer the following questions. If questions (5) or (6) are answered "Yes" or question (7) is answered "No", the loan will not be approved.

Question	Yes	No
5. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, on probation or parole?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Initial here to confirm your response to question 5 →		
6. Within the last 7 years, for any felony or misdemeanor for a crime against a minor, have you: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Initial here to confirm your response to question 6 →		
7. <input checked="" type="checkbox"/> I am a U.S. Citizen OR <input type="checkbox"/> I have Lawful Permanent Resident status <input type="checkbox"/> No		
Initial here to confirm your response to question 7 →		



Paycheck Protection Program Application Form

OMB Control No: 3245-0407
Expiration Date: 09/30/2020

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

REPRESENTATIONS AND AUTHORIZATIONS

I represent that:

- I have read the Statements Required by Law and Executive Order included in this form, and I understand them.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business related purposes as specified in the loan application.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals and all Associates: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The Business and each 20% or greater owner must certify in good faith to all of the below by **initialing** next to each one:

- KS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- KS The funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; I understand that if the funds are used for unauthorized purposes, the federal government may pursue criminal fraud charges.
- KS Documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following this loan will be provided to the lender.
- KS Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than twenty-five percent (25%) of the forgiven amount may be for non-payroll costs.
- KS During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under this program.
- KS I further certify that the information provided in this application and the information that I have provided in all supporting documents and forms is true and accurate. I realize that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- KS I acknowledge that the lender will calculate the eligible loan amount using tax documents I have submitted. I affirm that these tax documents are identical to those I submitted to the IRS. I also understand, acknowledge and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Kevin Svjed
Signature of Authorized Representative of Business

4-3-2020
Date

KEVIN SVJED
Print Name

CEO
Title

N/A - Non-Profit Corp
Signature of Owner of Applicant Business

Date

Print Name

Title



PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan Number	Call / Coll	SBA Loan #	Port #
1,765,000.00	4/23/2020	4/23/2022	700000058892	1000	8053737110	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NAVIGATOR SCHOOLS 277 IOOF AVE GILROY, CA 95023	Lender: Mechanics Bank P. O. Box 6010 Santa Maria CA 93456-6010
Principal Amount: 1,765,000.00	Interest Rate: 1.000%
Date of Note: 4/23/2020	

SBA PAYCHECK PROTECTION PROGRAM. This Note evidences a loan made pursuant to sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1102 of the CARES Act temporarily adds a new product, titled the "Paycheck Protection Program", to the U.S. Small Business Administration's (SBA's) 7(a) Loan Program. Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued on loans guaranteed under the Paycheck Protection Program may qualify for forgiveness if the borrower uses the loan proceeds for forgivable purposes. Borrower covenants and agrees that it will promptly provide to Lender all documents, attestations and information required pursuant to section 1102 and 1106 of the CARES Act and applicable SBA rules. The interpretation, enforcement and forgiveness of the indebtedness evidenced by this Note shall be subject to the CARES Act and applicable SBA rules in all respects.

PROMISE TO PAY. NAVIGATOR SCHOOLS ("Borrower") promises to pay to Mechanics Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of 1,765,000.00, together with interest on the unpaid principal balance from 4/23/2020, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 1.000%, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section. Nothing contained in this Note, expressed or implied, nor in any instrument securing this Note or related hereto, shall be construed as any guarantee or other assurance that the loan evidenced by this Note will qualify for forgiveness in the future. In the event that the loan evidenced by this Note fails to qualify for forgiveness, Borrower shall continue to make monthly payments of principal and interest until all principal and interest due under this Note is paid in full.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Borrower authorizes disbursement of the full Principal Amount of this Note to deposit account # 9688490077.

PAYMENT. Borrower will pay this loan in 18 payments of \$99,329.18 each payment. Borrower's first payment is due 11/23/2020, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on 4/23/2022, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collections costs and late charges. All payments must be made by a check, electronic funds transfer, money order, or other instrument in U.S. dollars and must be received by us at the remittance address shown on your periodic billing statement. Payments received at that address prior to 5:00 PM Pacific Time on any business day will be credited to your loan as of the date received. If we receive payments at other locations, such payments will be credited promptly to your loan but could be delayed for up to one (1) business day after receipt. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Mechanics Bank, P. O. Box 606, Santa Maria, California 93456-6010

INTEREST AFTER DEFAULT. Upon default, the total sum due under this Note will continue to accrue interest at the interest rate under this Note.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if

there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. When Lender is the holder, this Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California. When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Contra Costa County, State of California.

COLLATERAL. This loan is unsecured.

JURY WAIVER AND JUDICIAL REFERENCE. Lender and Borrower each waive their respective rights to a trial before a jury in connection with any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This includes any claim by either party, claims brought by Borrower as a class representative on behalf of others, and claims by a class representative on Borrower's behalf as a class member (so-called "class action" suits). This provision shall not apply if, at the time an action is brought, the Loan is maintained in a state where jury trial waivers are not permitted by law.

If a jury trial waiver is not permitted by law, the parties agree that all decisions of fact and law in any action brought in connection with any action, proceeding or counterclaim brought by either Lender or Borrower against the other shall be decided, at the option of either party, by a referee appointed by the court in accordance with applicable state reference procedures. The referee shall be a retired judge, agreed upon by the parties, from either the American Arbitration Association ("AAA") or Judicial Arbitration and Mediation Service, Inc. ("JAMS"). If the parties cannot agree on the referee, the party who initially selected the reference procedure shall request a panel of ten retired judges from either AAA or JAMS, and the court shall select the referee from that panel. The costs of the reference procedure, including the fee for the court reporter, shall be borne equally by the parties as the costs are incurred. If a party fails to pay its portion of the costs as incurred, then that party shall forfeit the right to prosecute or defend the action. The referee shall hear all pre-trial and post-trial matters, including requests for equitable relief; prepare an award with written findings of fact and conclusions of law; and apportion costs as appropriate. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal. This provision will not be deemed to limit or constrain Lender's right to set off, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien Lender may hold in property, or to comply with legal process involving Borrower's accounts or other property.

EXECUTION IN COUNTERPART. This document may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts together shall constitute but one and the same instrument and agreement and shall not be binding on any Party until all Parties have executed it.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.



PROMISSORY NOTE

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE. Each of the individuals signing below does hereby represent, warrant and certify to Lender, personally and on behalf of Borrower, that each of the undersigned is signing as an "Authorized Representative of Applicant," which is a representation to Lender and to the U.S. Government that the signer is authorized to make the certifications, including with respect to the Borrower-Applicant and each owner of 20% or more of the Borrower-Applicant's equity, contained in the Borrower Application Form.

BORROWER: NAVIGATOR SCHOOLS

X _____

Coversheet

Watsonville Prep School Facilities

Section: II. Topical Items
Item: C. Watsonville Prep School Facilities
Purpose: Vote
Submitted by:
Related Material: NewMarketTaxCredit Presentation.pdf
NewMarketTaxCredit Proposal Ltr.pdf



NMTC for Navigator Watsonville

April 2020



Charter school facility finance programs

	New Markets	Charter School Facilities Program (CSFP)	Tax Exempt Bonds	CDFI Lenders	Private Lender
Current rate	± 4.7%	2-3%	± 4-6%	± 6.25%	± 9%
Loan To Value (LTV)	100% +	Grant calculator	100%+	70%	100%
Required reserves	Deal by deal	none	±1-year debt service	Deal by deal	Deal by deal
Term	4 years here	30 years	30-35 years fully amortizing	Typically 5-10 years	Typically locked for 3 years
Free Money?	± 30% anticipated debt forgiveness after 4 years	Half grant half loan; prevailing wages required	N/A	N/A	N/A

Why Use the New Markets Tax Credit for Facilities?

- Lowest cost financing for up to 100% Loan to Value
 - Banks max out at 50-65% of value
 - Financing 65-100% of value (mezzanine or equity) is typically expensive
- Reduce need for philanthropy
- Fixed rate for 7 years usually, though here only 4 years remain
- Back end grant reduces amount that must be refinanced

NMTC Background

- Created in 2000 as part of the Community Renewal Tax Relief Act
- Works only in Low Income Communities –typically <60% median income
- Administered through the CDFI Fund, within US Treasury
- Stiff competition for allocations; charter school allocations getting tougher

How the NMTC Works

- 39% tax credit on total investment over 7 years
 - *7-year clock started Aug 24, 2017, and ends Aug 24, 2024*
- Credit based on Investor's cash investment
- To obtain market rate yields, investors leverage their investment with loans, but:
 - loans are to Investor entity, not to Project
 - these loans must be repaid

NMTC intro videos:

<https://www.youtube.com/watch?v=E9EXITaOtV0> (general intro)

<https://www.youtube.com/watch?v=UIU7TqJNvgg> (accountants explain leverage structure used to blend capital at upper tier investment fund)

The Back End

- 2017 tax reform made NMTC credit is *less valuable* to investors
 - Good news: this investment was made in Aug 2017 before credit price dropped.
 - 30% potential forgiveness shown here is better than what schools can get now, due to drop in value of credit to investors
- After 7 year tax credit period NMTC investor can “put” investment fund interest to school for \$1000
 - non profit needed to avoid “relief of indebtedness” income
- If Investor does not exercise put, school has option to purchase investment fund for FMV
 - FMV depends on difference between loan rate and then-prevailing interest rates
 - The lower the rate, the more likely FMV will be low or nominal

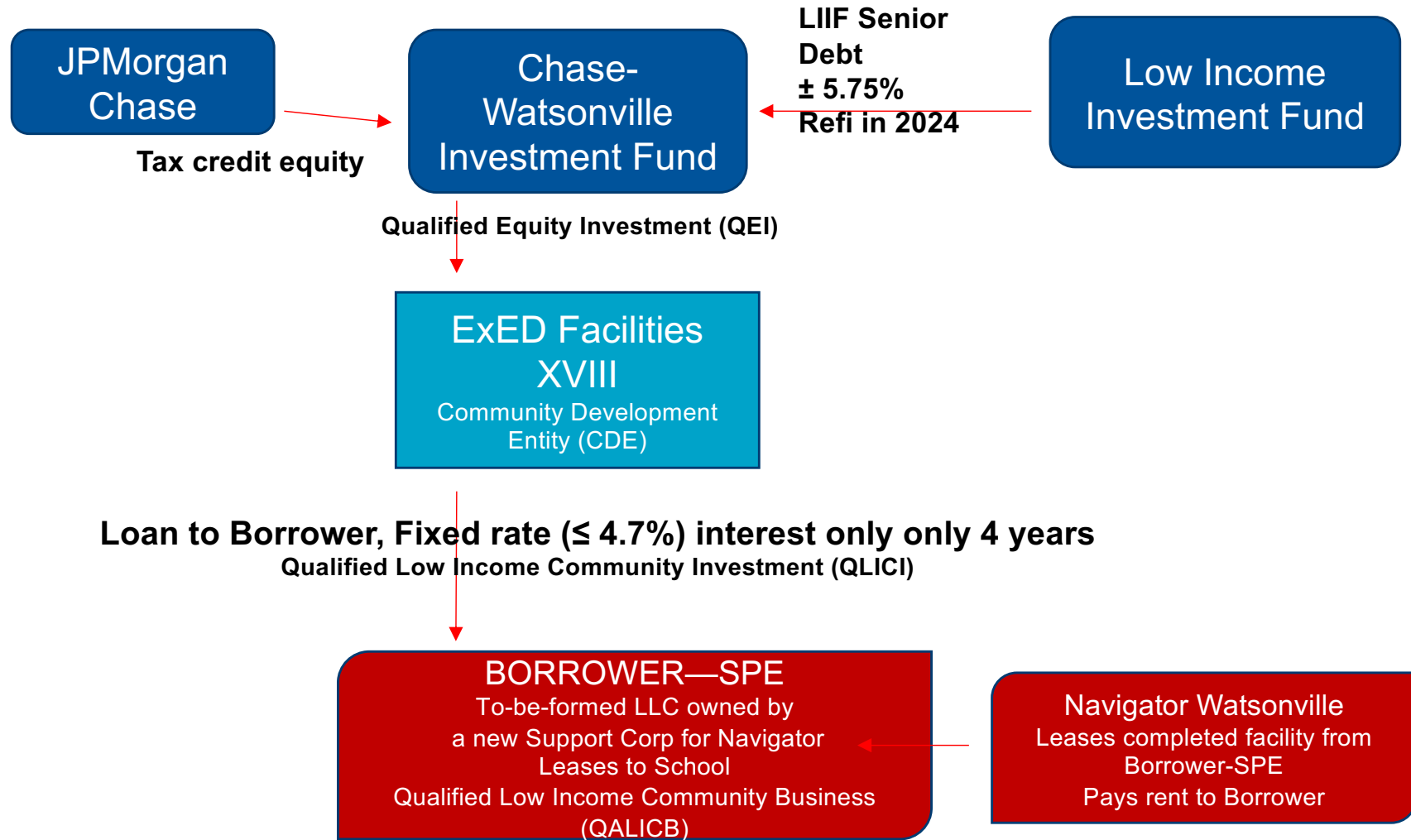
ExED Fees

- To obtain the NMTC investment ExED must indemnify investor against certain risks, particularly “recapture” of the NMTC credit
- To justify these risks and cover program costs, ExED typically gets:
 - 2% fee paid up front at closing, plus
 - 3% fee at back end, paid after 7 years
 - 10-15 bps asset management fee per year (.7-1% total over life of credit)
 - Other incentive fees negotiated on case by case basis
- Industry standard: total fees over life of credit $\pm 8-9\%$ of Loan. ExED believes its fees ($\leq 6\%$) are among lowest in the market.
- ***Revised structure applicable here:***
 - No up front fee to ExED
 - 3% fee is already funded by cash in loan loss reserve, not paid by Borrower or Navigator
- Fees more than offset by anticipated loan forgiveness in year 7 ($\pm 30\%$)

Special Purpose Entity

- NMTC lenders require “borrower” to be a special purpose entity (SPE) separate from school operator
 - Can be developer, for profit, or non profit entities
- Borrower leases project to Charter School which pays rent to Borrower
 - Required by SB 740 regulations for facility reimbursements
- Borrower borrows capital from ExED Facilities, pays debt service

Deal Structure



Basic Numbers

SOURCES & USES									
QLICI Note A		3,992,424	lease related costs		40,000				
QLICI Note B		1,707,576	construction		8,046,000				
	TOTAL	5,700,000	HC contingency		327,375	4.1%			
Navigator Direct Loan		2,800,000	soft costs		429,125				
			soft cost contingency		39,500				
			Financing Costs		196,000				
			Lender Fees		80,000				
Sponsor Equity	% of Project Costs 8.6%	800,000	Capitalized interest		142,000				
Total Sources		\$ 9,300,000	Total Uses		\$ 9,300,000				
Estimated Annual Cost									
<i>Debt Service</i>	Annual Pmt	Rate	Amortization	Term - Years	Repayment				
A Note	185,483	4.65%	no	4.40	Yes				
B Note	79,332	4.65%	after compliance	30	Put - \$1,000				
Payments for NMTC Loan	264,814								
Direct Loan	155,000	2.75%	interest-only blended rate						
<i>Total Costs including rent</i>	Annual Pmt	Per seat	Direct loan detail			Estimated QLICI Interest			
ground rent FY 2020-21	-	0	Navigator loan	2,800,000		LIIF debt service	229,564		
QLICI Debt Service	264,814	490	amortization	25 years		Asset mgmt fee	6,000	0.11%	
Direct Loan	155,000	287	rate	2.75%		servicing	14,250	0.25%	
Other Borrower costs (E&O, accounting)	5,000	9				CDE Expenses	15,000		
	INITIAL	\$424,815				total	264,814		
	SEATS IN THIS YEAR	240				estimated rate	4.65%		
5-year during ramp up and lease concession in early years									
	2021-22		2022-23		2023-24		2024-25		
	Total	Per seat	Total	Per seat	Total	Per seat	Total	Per seat	
Ground Rent	80,000	\$148	180,000	\$333	260,000	\$481	320,000	\$593	
QLICI Debt Service	264,814	490	264,814	490	264,814	490	264,814	490	
PCSD Debt Service	155,000	287	155,000	287	155,000	287	155,000	287	
Other QALICB costs (E&O, accou	5,000	9	5,000	9	5,000	9	5,000	9	
	AT CAPACITY	\$935	604,815	\$1,120	684,815	\$1,268	744,815	\$1,379	
	SEATS IN THIS YEAR	300	\$1,683	360	\$1,680	420	\$1,631	540	\$1,379

Construction costs not yet final. Affordability is best assessed by cost per seat.

Site complexity: the ground lease

- Lease is still being negotiated, but rent has been agreed to.
- After year 7, rent goes up 2%/yr.
- Total cost to school is sum of rent to LL + debt service.
- To date ExED has financed 34 schools, 16,587 seats using the NMTC. About 20% of these projects have been situated on land leased from a third party landlord, as Navigator proposes to do.
- Schools have been able to finance out of our program with their leased assets.

LEASE YEAR	SCHOOL YEAR	TOTAL ANNUAL RENT	MONTHLY RENT
1	2020-21	\$0.00	\$0.00
2	2021-22	\$80,000.00	\$6,666.67
3	2022-23	\$180,000.00	\$15,000.00
4	2023-24	\$260,000.00	\$21,666.67
5	2024-25	\$320,000.00	\$26,666.67
6	2025-26	\$400,000.00	\$33,333.33
7	2026-27	\$408,000.00	\$34,000.00

Program Rules—can the investor lose the credits?

- Investment must remain outstanding for 7 years
 - Foreclosure OK if lender recovers property.
 - Cash received through foreclosure must be reinvested within one year
- 98% of the proceeds must be used to fund a "Qualified Low Income Community Investment" (QLICI) and 85% must remain outstanding for 7 years
- Lender must reasonably expect the borrower to remain in the qualifying census tract.
- The Borrower must remain a "qualified low income community business." However an SPE formed to own real estate is not required to have employees.

These risks are easy to mitigate if the deal is properly structured. However if the rules are not met, the investor loses ALL credits, not just a pro rata share of credits depending on when the rules were breached.

Once a loan closes the biggest risk of recapture occurs if a school fails to pay its lease. Investors require schools to indemnify against loss of credits caused by school default.

2024 Refinance

- Underlying real estate is leased; loans obtained by the tenant to finance TIs must be paid by the end of the lease.
- Pacific Charter School Development (PCSD) and the Charter School Growth Fund (CSFG) are making loans to Navigator to facilitate the loan from Navigator to the Borrower. Both PCSD and CSFG also expect to be paid off in 2024.
- To succeed:
 - Navigator must complete the renovations, relocate, and demonstrate results in the new location, as measured by enrollment, finance and the other metrics used to gauge school performance.
 - Capital markets need to settle down. Capital market appetite for charter school debt right now is tepid.

Program Experience to date

- 34 schools financed, 16,587 total seats.
- Exit strategies have varied:
 - Alliance, Green Dot and KIPP combined the schools we financed with other schools in their networks for “Obligated Group” financings—schools in the same network agree to be liable for each other’s debt service. Larger deals are cheaper, mostly due to liquidity risk. These deals are typically fully amortizing over 30 years.
 - Camino Nuevo opted for tax exempt financing directly purchased by Wells Fargo. CNCA’s rate is lower than the OG financings, but it must refinance in 10 years.
 - Our first “one off” single school refinancing was Watts Learning Center, about \$4.5MM. WLC had many options, including 30 year debt through the bond markets, but opted for a loan from a credit union at 4.4%, due in 7 years.

Charter School Facilities & the New Markets Tax Credit

Discussion



April 24, 2020

Navigator Schools
650 San Benito St., Ste 230
Hollister CA 95023
Attn: Kevin Sved, CEO

Re: Financing Proposal for Watsonville Campus

Dear Kevin,

ExED FACILITIES XVIII LLC, a limited liability company organized under the laws of Delaware with its principal offices at 11858 LaGrange Avenue, 2nd Floor, Los Angeles, California 90025 (ExED CDE or Lender) proposes to make a loan (Loan) to the borrower named below, subject to the terms and conditions of this Proposal Letter, including the Financial Summary, Attachment 1.

1. Borrower and Tenants. Borrower shall be a limited liability special purpose entity. Borrower's sole member (Holding Corp) will be a separate California not-for-profit, tax-exempt corporation. Holding Corp's primary purpose should be to support Navigator Schools, a California not-for-profit corporation (Navigator), and none of Holding Corp's officers or directors may be compensated. In this Proposal Letter Tenant shall mean Navigator, and School shall mean Navigator Watsonville, a K-8 school operated by Navigator as an unincorporated division, under a charter issued by the California State Board of Education (Authorizer). Borrower and Navigator will provide approximately \$800,000 of total required capital, as an equity contribution to Borrower as shown in the Financial Summary, plus an additional direct loan as described below.
2. ExED CDE; CDE Capitalization. Excellent Education Development, a California nonprofit corporation (ExED) established the ExED CDE as a "Community Development Entity" certified by CDFI Fund, US Treasury, to receive a \$6MM Qualified Equity Investment (QEI). In 2017 this QEI was received and deployed to make a "Qualified Low Income Community Investment" (QLICI) pursuant to New Markets Tax Credit (NMTC) rules, funding a QLICI loan for a project in San Diego (Prior Loan). On November 26, 2019 the borrower repaid the Prior Loan; the ExED CDE must reinvest these proceeds in another qualifying QLICI not later than November 25, 2020 (the Outside Closing Date). The ExED CDE proposes to fund the Loan to Borrower on the terms of this Proposal Letter, provided that such loan can be structured as a QLICI in compliance with NMTC rules and close not later than the Outside Closing Date. Some terms of the proposed Loan to Borrower are fixed by the 2017 QEI and the Prior Loan, as set forth below.

The ExED CDE is 99.99% owned by an upper tier investment fund (IF) formed and controlled by Chase Community Equity, an affiliate of JP Morgan Chase Bank, N.A (Chase). In addition, in 2017 the IF obtained a loan (Senior Loan) from the Low Income Investment Fund (LIIF). Consents from both Chase and LIIF will be required for Lender to close, as set forth below.

Navigator Schools

April 24, 2020

Page 2

3. Sources & Uses; Other Loans. The Financial Summary sets forth estimated sources and uses as of the date hereof. The total Loan will be divided into two promissory notes (Note A and Note B) as shown in the Financial Summary. In addition to the Loan described herein, (i) Pacific Charter School Development (PCSD) and the Charter School Growth Fund (CSFG), have expressed willingness to make loans to Navigator (collectively, Support Loans) to facilitate the Project (defined below), and (ii) Navigator will use the proceeds of the Support Loans and its own resources, as needed, to fund a Direct Loan to Borrower shown in the Financial Summary. The Support Loans and Direct Loan must close at the same time as the Loan, and the terms of such loans are subject to approval by the ExED CDE, Chase and LIIF.
4. Loan Closing. In this Proposal Letter the Closing shall mean the date on which all conditions to funding the Loan have been met, and the ExED CDE funds its Loan to the Borrower.

The Senior Loan, obtained in 2017, requires debt service of approximately \$20,000 per month commencing as of April 1, 2020, when Lender's allowance for this cost will be depleted. Upon acceptance of this Proposal Letter Borrower shall pay nonrefundable fees (Commitment Fees) to Lender as follows:

- (a) \$40,000 is due on acceptance.
- (b) \$20,000 is due on the first day of each month, commencing June 1 and ending at Closing.

PCSD has informed us that the Project requires certain discretionary entitlements from the City of Watsonville (Watsonville), including appropriate clearances under CEQA (collectively, the Project Entitlements). Lender will have the right to terminate this Proposal Letter under any of the following conditions:

- (w) At any time if the Project receives an adverse ruling or determination by Watsonville, pertaining to the Project Entitlements or otherwise, and Lender reasonably concludes that the Project is unlikely to Close prior to the Outside Closing Date;
- (x) If Borrower is unable to obtain favorable determination from Watsonville regarding the Project Entitlements on or prior to September 11, 2020;
- (y) If Borrower, Lender and Master Lessor fail to agree on material terms required to close as outlined herein, or if for any reason Lender reasonably concludes that the Project is unlikely to Close prior to the Outside Closing Date, or
- (z) without cause, provided that Lender refunds any payments made by Borrower pursuant to this paragraph 5 at the time of such termination.

Payments made by Borrower to Lender pursuant to this Paragraph 5 are nonrefundable to Borrower, except only in the event of termination by Lender without cause as provided above.

5. Term. The term of the Loan shall commence on the date the Closing occurs. Lender presently estimates that:
 - (a) Note A will mature August 25, 2024, seven years after the closing of the Prior Loan (Maturity Date).
 - (b) Note B (funded indirectly through net NMTC tax credit proceeds) is expected to be interest only through the Maturity Date, and then amortizing for the next 23 years (for a total term of 30 years from the closing of the Prior Loan). At the Maturity Date,

Navigator Schools

April 24, 2020

Page 3

Lender will subordinate Note B to a new loan to be obtained by Borrower from a third party to refinance the Note A and the Direct Loan.

The amortization and term of each Note will be determined in consultation with counsel during underwriting, and may be changed by Lender prior to Closing. The Loan is subject to earlier acceleration following an event of default, all in accordance with terms of the final loan documents (Loan Documents).

6. Interest Rate. Each Note shall bear interest at a rate of interest to be determined during underwriting (Interest Rate). The estimated rate set forth in the Financial Summary is subject to change.

ExED CDE's cost of funds will include the IF's regular interest payments to LIIF for the Senior Loan, approximately \$20,000 per month at 5.75%. In addition, the interest rate will include the following:

- (a) Annual servicing fees to ExED for its administrative and compliance services, estimated at \$6000 per year (10 bps on the QEI);
 - (b) Annual servicing fees to NMSC or another service provider for funds management and servicing, presently estimated at \$14,250 per year (25 bps on the Loan); and
 - (c) The annual costs of LA City business taxes and audits of the ExED CDE.
7. Loan Purpose; Additional Loans. Hansen Family Trust, as Master Lessor, owns commercial property at 407 Main St., Watsonville CA, APN 017-641-12 (Property). The Property is located in Census Tract 06087110300, which appears to qualify as "severely distressed" under applicable NMTC rules. Confirmation that the Property and Premises (defined below) are located in a severely distressed census tract in form acceptable to Lender and its counsel is a condition to the Closing of the Loan.

Master Lessor and Navigator are negotiating a long term lease (Master Lease). The leased premises (Premises) consist of approximately 37,750 sq. ft on the second floor of the building at the Property, and 3,000 sq. ft of enclosed play space on the first floor of the building. Approval of the Master Lease by Lender, Chase and LIIF is also a condition to closing of the Loan. Without limiting the foregoing, Lender requires (i) rights to cure Master Lease defaults that are separate from the tenant's right to cure, so as to make the Master Lease "financeable," in form acceptable to Lender and its counsel, and (ii) a nondisturbance agreement from any lender holding a lien on the Property (NDA). Public records show that Master Lessor has obtained an \$11.4MM loan from Santa Cruz County Bank. Borrower should confirm as soon as possible that this NDA can be obtained from the Master Lessor's lender.

The Loan and Direct Loan proceeds shall be used solely to finance (i) negotiation of the Master Lease, (ii) approximately \$8 MM of tenant improvements and renovations to the Premises, as shown in the Financial Summary (Renovations), and (iii) related soft and transaction costs. Navigator has engaged Artik Art & Architecture as architect and is now seeking permits for proposed Renovations (the Master Lease and the Property Renovations are referred to as the Project). Borrower has engaged PCSD for certain development and construction oversight services. PCSD is now assessing potential contractors for the Project. Borrower's general contractor must be approved by Lender, Chase and LIIF.

8. Loan Loss Reserve & Fees. The ExED CDE has deposited \$180,000 (3% of the QEI) into a Loan Loss Reserve (ExED CDE LLR). This sum is funded from QEI capital invested in the ExED CDE, and is not paid by Borrower or funded from QLICI Loan proceeds. Upon default

Navigator Schools

April 24, 2020

Page 4

by Borrower the ExED CDE may advance sums from the ExED CDE LLR to protect the Project, to pay sums due to the Master Lessor pursuant to the Master Lease, or to cover other costs incurred as a result of Borrower default. Any such disbursements shall be treated as protective advances by Lender under the loan documents, and shall be due from Borrower to Lender on demand.

For services provided in connection with this transaction, at the end of the NMTC compliance period if the Borrower meets its obligations and LIIF Senior Loan has been paid, ExED will receive a fee (Success Fee). ExED's Success Fee is 3% of the QEI plus 90% of cash remaining at the ExED CDE on the Maturity Date. These sums are funded out of the ExED CDE LLR and the Loan payments to be made by the Borrower through the life of the credit.

Separately the ExED CDE will incur annual asset management, audit, tax return, and other related costs. These costs are included in the interest rate for the Loan, as described above and in the Financial Summary.

At Closing the ExED Lender will charge fees (Administration Fees) as follows:

- (a) LIIF will assess a Loan Modification Fee for amendments to the Senior Loan which the Lender will pass through to the Borrower at Closing. The Loan Modification Fee is estimated to be 1% of the Senior Loan, or approximately \$40,000.
 - (b) The interest rate is set to cover annual expenses, but since the Loan will close more than halfway into the year, first year expenses will exceed what can be collected through interest. Also as noted above Commitment Fees due from Borrower are intended to cover the cost of carrying the Senior Loan. When the Loan closes Lender will reconcile costs and assess a one time fee to cover projected year one shortfalls. The need for and amount of this fee will be determined during underwriting.
9. Prepayment. The Loan may not be prepaid at any time, in whole or in part. Based on past experience we do not expect prepayment restrictions for the Senior Loan. It may be feasible to refinance the Senior Loan using tax exempt bond proceeds during the compliance period, if the bond investors are willing to accept Chase's restrictions.
10. Collateral. The Loan shall be secured by a perfected first lien on and with respect to:
- (a) The Borrower's leasehold estate in the Property and the Project improvements now or hereafter located thereon.
 - (b) All leases, rents, revenues, issues and profits relating to and derived from the Property, including the Lease to the School described below.
 - (c) All tangible and intangible personal property of the Borrower, and all of the Borrower's accounts receivable, inventory, furniture, fixtures, equipment and machinery, whether now owned or hereafter acquired.
 - (d) All cash and non-cash proceeds, increases, substitutions, replacements, additions and/or accessions of any type, to or for any of the foregoing.

Loan proceeds will be fully disbursed to Borrower at Closing. The portion of Loan Proceeds to be used to fund construction and related costs, as reasonably determined by Lender, shall be held in a controlled account in Borrower's name, at a financial institution to be determined by mutual agreement of Borrower and Lender. Disbursements from this account

Navigator Schools

April 24, 2020

Page 5

will require approvals from Lender as construction progresses, as well as lender inspections in accordance with industry standard construction loan disbursement practices.

In addition, Lender requires intercreditor subordination agreements in form and substance acceptable to Lender, LIIF and Chase (Subordination Agreements), with each of Master Lessor, PCSD, CSFG and Navigator, pursuant to which each party will acknowledge that Navigator's regular and timely payment on the Loan shall come first, and payments on the Master Lease, each Support Loan and any CMO or management fee to Navigator shall be subordinate.

11. School; Charter Agreement.

- (a) Project construction is projected to be concluded by August 2021. We understand that you now project to open in FY 2021-22 with 300 students. The Project Budget includes allowances to cover Ground Rent and related costs through August 1, 2021. On August 1, 2021, it is assumed that the Sublease from Borrower, as landlord, to Navigator (for School) as tenant, will be in effect. At this time there is no "ramp up reserve" to cover the cost of empty seats.
- (b) Authorizer has issued a charter contract (Charter) to Navigator for School. Subject to the terms and conditions of such Charter, Navigator is authorized to organize and operate School. So long as any amounts shall remain outstanding under any Loan Document, Navigator shall: (a) keep and maintain the applicable Charter in full force and effect; (b) apply for and obtain a charter renewal prior to the expiration of the current charter, and (c) operate the School in full compliance with the Charter and the statutes and regulations which apply to charter schools in the State of California, including, without limitation, the provisions of The California Charter Schools Act of 1992 and any regulations promulgated there under (and any predecessor statute, the Charter School Act). Borrower and Navigator acknowledge and agree that it shall be an event of default under the Loan Documents if the Charter is revoked or terminated or the charter school is placed on probationary status.

12. Guarantee. Navigator may be required to guarantee all or some portion of the financing described herein. This decision will be made during underwriting.

13. Borrower and Tenant Reporting Requirements. Each of Borrower, Tenant, and Holding Corp shall at all times during the Loan term provide to the Lender, or cause to be provided to the Lender, in a form acceptable to the Lender, regular and customary financial statements (Financial Statements), as shall be set forth in the Loan Documents.

Each of Borrower, Tenant, and Holding Corp shall also deliver to the Lender such other financial information with respect to the Premises and its business operations as the Lender may reasonably request from time to time. All reports, statements and other information required to be submitted by Borrower, Tenant, and Holding Corp shall be in form and content satisfactory to the Lender in all respects, and all financial reports, statements and information shall be prepared in accordance with generally accepted accounting principles, as applied to charter school accounting.

14. Lease.

- (a) The Borrower will lease the Premises to the Tenant, and Tenant will operate School. Among other things, the Lease will provide annual NNN rental payments in an amount sufficient to pay rent due to the Master Lessor pursuant to the Master Lease, and to meet the Borrower's debt service requirements under the Loan and Direct Loan,

Navigator Schools

April 24, 2020

Page 6

commencing at Closing. The terms and conditions of the Lease shall be acceptable to the Lender in all respects.

- (b) The Borrower acknowledges and agrees that it shall be an event of default under the Loan Documents if there is a default under the Lease or the Master Lease.
 - (c) The Lease will include a covenant by Tenant to manage its financial affairs by (i) hiring a financial manager/consultant with the expertise needed to provide these services, or (ii) hiring internal staff with expertise needed to provide these services.
 - (d) The Borrower shall at all times during the Loan term cause the Tenant to operate the School in accordance with the Lease. Tenant shall consent to the Borrower's deed of trust and execute and deliver any and all documents required in connection with the foregoing as may be required by the Lender, including, without limitation, the Lender's standard form of subordination, non-disturbance and attornment agreement, pursuant to which the Lease and the Tenant's rights thereunder shall be subject and subordinate to the deed of trust granted by the Borrower to encumber the Premises. From and after the Closing, the Borrower shall keep the Lease in full force and effect, and the Borrower shall not amend, modify, terminate or cancel the Lease without first obtaining the prior written consent of the Lender.
15. Financial Covenants of the Borrower and Tenant. From and after the Closing, the Borrower and Tenant shall comply with the financial covenants to be determined during underwriting in consultation with LIIF.
16. Other Covenants, Representations and Warranties. The Loan Documents shall contain such covenants, representations and warranties as the Lender deems appropriate and includes in credit facilities similar to the Loan, including, without limitation, the following:
- (a) The Borrower, the School and the Lender shall enter into a Community Benefits Agreement (CBE). In the CBE the Borrower and the Tenant will commit to (i) causing School to employ not less than 50 FTE employees, all of whom shall make not less than California minimum wage or City of Watsonville Living Wage, whichever is greater (after an initial ramp up period); (ii) enroll and retain not less than 540 students (after an initial ramp up period), (iii) provide opportunities to residents of the Low-income Community such as skills training, or Low-Income Persons employed by the School, such as instructional training, that will impart skills and knowledge to such persons and enhance their employability and earning potential; (iv) track and report on Tenant's use of minority owned vendors for services or supplies, (v) track and report on the diversity of students, staff and board members at Tenant and school, and (vi) report to the ExED CDE not less than once per year on the foregoing efforts. The ExED CDE reserves the right to add reasonable additional requirements to the CBE based on metrics used in the 2017 NMTC application round.
 - (b) The Borrower shall notify the Lender in writing of any change in the composition of its board of directors/trustees and senior management within ten (10) days of obtaining knowledge of such change. For the purposes hereof, the term "senior management" shall include the positions of principal and assistant principal at School, and executive director and business manager for Tenant.

Navigator Schools

April 24, 2020

Page 7

- (c) Without the prior written consent of the Lender, the Borrower shall not make any further assignment, pledge or disposition of any collateral securing the Loan, or do or permit anything to impair the security or value of such collateral.
- (d) Without the prior written consent of the Lender, the Borrower shall not suffer or permit any sale, assignment or other change or transfer of legal or equitable control of the Borrower or Holding Corp, or suffer or permit the issuance, sale, merger, consolidation, transfer, pledge, assignment or disposition of any ownership interest of the Borrower or Holding Corp.
- (e) Without the prior written consent of the Lender, the Borrower shall not: (i) create, incur, assume or suffer to exist any indebtedness, or in any manner become liable directly or indirectly with respect to any indebtedness, except for amounts owing to Lender and trade debt incurred in the ordinary course of business; (ii) enter into any commitments for money to be borrowed; or (iii) guarantee or become obligated to pay the obligations of any other person, whether direct or indirect.
- (f) Without the prior written consent of Lender, the Borrower shall not enter into, amend, modify and/or extend the Lease, the Master Lease, or any capital lease.
- (g) Without the prior written consent of the Lender, the Borrower shall not declare any dividends, or pay any fees, expenses or other sums, or make any distribution in cash or assets, to any Affiliate, have any employees, or make any loans, salary advances or other payments to any person employed by Tenant or affiliated with School or Tenant.

17. Conditions Precedent to Closing. The closing of the Loan and disbursement of Loan proceeds is subject to the Borrower and/or Tenant's satisfaction on or before the Closing of the conditions set forth in this Proposal Letter and in the Loan Documents. All documents, information and due diligence materials furnished to Lender in connection with the Loan shall be acceptable to Lender in all respects. In addition, the Closing of the Loan is subject to (i) Lender's receipt of final underwriting approval from LIF and Chase, (ii) funding of the Direct Loan and the CSFG Loan, (iii) Borrower's and Sponsor's funding of equity as described herein, and (iv) final building permits, and any other conditions necessary for Contractor to commence construction of the Project.

18. Loan Documents. The Borrower agrees to execute and deliver all documents required by the Lender in connection with the Closing of the Loan, including but not limited to, a loan and security agreement, promissory notes, a leasehold deed of trust, an assignment of leases and rents, an indemnity agreement regarding hazardous materials and handicapped access, financing statements and such other documents, instruments and assurances as the Lender may request. Such documentation shall reflect the material terms and conditions of the Loan set forth in this Proposal Letter and contain such other terms, conditions, covenants, agreements and representations and warranties as the Lender deems appropriate or otherwise includes in loans of this nature.

19. Expiration. This Proposal Letter may be terminated by Lender as set forth in Paragraph 5. In such event the Lender shall have no further obligation or liability to the Borrower hereunder or otherwise.

20. Standard Terms and Conditions. This proposal is subject to the Borrower continuing to maintain a satisfactory financial condition, as determined solely by the Lender, and the Lender may terminate its discussions with Borrower, in the event that: (a) the Lender, in its sole discretion, determines that a material adverse change has occurred in the Borrower's

Navigator Schools

April 24, 2020

Page 8

or Tenant's financial condition, or in the condition or value of the Property or Project; (b) the Borrower or Tenant fails or refuses to comply in a timely manner with any of the terms, provisions or conditions of this Proposal Letter; or (c) any of the information, data, representations, exhibits or other materials submitted to the Lender in connection with the Loan shall contain any inaccuracy or misrepresentation that the Lender, in its sole discretion, determines to be material.

21. Expenses.

- (a) LIIF may request an expense deposit, a portion of which is nonrefundable, for its costs and expenses pertaining to the Loan. To the extent that you have previously sent these deposits no further deposit is due upon acceptance of this Proposal Letter, but ExED reserves the right to require additional deposit(s), in amount(s) to be determined, prior to closing, in its sole discretion. If so requested a deposit will be applied to third-party expenses incurred by ExED in closing this transaction, and any unused funds will be refundable to the Borrower or credited towards expenses at closing.
- (b) The transaction described in this Proposal Letter requires specialized legal counsel and accounting services. By its acceptance of this Proposal Letter Navigator agrees to pay (or reimburse ExED for) all costs incurred by ExED, LIIF or Chase in connection with the transaction described herein, whether or not ExED requests a deposit, or the transaction ultimately closes. Project Costs include projected fees to counsel for LIIF, ExED, Chase, and Borrower, as well as accounting and modeling services by Novogradac. Navigator acknowledges that the fee estimates in the Financial Summary are subject to change depending on the complexity of the transaction and the negotiations led by the Borrower.

Navigator Schools

April 24, 2020

Page 9

Please sign this Proposal Letter to acknowledge your acceptance of the foregoing terms and conditions, and return it to the undersigned on or before May 1, 2020. Thank you for your interest in our NMTC loan program.

Sincerely,

ExED Facilities XVIII LLC

By: L.A. Charter School New Markets CDE,
LLC, a Delaware limited liability company, Its
Manager

By: Excellent Education Development, a California
not-for-profit corporation, its Sole Member

By: _____
Anita Landecker
President & CEO

Accepted and agreed:

Navigator Schools

By: _____
Kevin Sved
CEO

Date: _____, 2020

Attachment: Financial Summary

Attachment 1

Navigator Watsonville
Financial Summary as of 4/24/20

Project: Navigator Watsonville
 Total Seats: 540
 QALICB/Borrower: Navigator LLC TBD
 Initial Tenant: Navigator Schools
 School: Watsonville Preparatory Academy
 ExED CDE: ExED Facilities XVIII LLC
 Investor: JP Morgan Chase
 Lev Lender: LIIF
NMTC Compliance period Ends 8/24/24

SOURCES & USES

Lev Loan (LIIF)	3,992,424	QEI	6,000,000
NMTC Equity (Chase)	1,887,576	Fee paid to ExED in 2017	(120,000)
Managing Member Contribution (0.01%)	100	Add'l Reserve - MM contribution	100

Total Sources	\$ 5,880,100	Total Uses	\$ 5,880,100
----------------------	---------------------	-------------------	---------------------

IF funding 2020	5,880,100	CDE Loan Loss Reserve	3.00%	180,000
		QLICI Loan A		3,992,424
		QLICI Loan B		1,707,576
		Operating Reserve - MM contribution		100

Total Sources	\$ 5,880,100	Total Uses	\$ 5,880,100
----------------------	---------------------	-------------------	---------------------

QLICI Note A	3,992,424	lease related costs	40,000
QLICI Note B	1,707,576	construction	8,046,000
	TOTAL	HC contingency	327,375
Navigator Direct Loan	2,800,000	soft costs	429,125
		soft cost contingency	39,500
		Financing Costs	196,000
		Lender Fees	80,000
Sponsor Equity	% of Project Costs 8.6%	Capitalized interest	142,000

Total Sources	\$ 9,300,000	Total Uses	\$ 9,300,000
----------------------	---------------------	-------------------	---------------------

Estimated Annual Cost

Debt Service	Annual Pmt	Rate	Amortization	Term - Years	Repayment
A Note	185,483	4.65%	no	4.40	Yes
B Note	79,332	4.65%	after compliance	30	Put - \$1,000
Payments for NMTC Loan	264,814				
Direct Loan	155,000	2.75%	interest-only blended rate		

Total Costs including rent	Annual Pmt	Per seat
ground rent FY 2020-21	-	0
QLICI Debt Service	264,814	490
Direct Loan	155,000	287
Other Borrower costs (E&O, accounting)	5,000	9
INITIAL	\$424,815	\$787
SEATS IN THIS YEAR	240	\$1,770

Direct loan detail	
Navigator loan	2,800,000
amortization	25 years
rate	2.75%

Estimated QLICI Interest		
LIIF debt service	229,564	
Asset mgmt fee	6,000	0.11%
servicing	14,250	0.25%
CDE Expenses	15,000	
total	264,814	
estimated rate	4.65%	

5-year during ramp up and lease concession in early years

	2021-22		2022-23		2023-24		2024-25	
	Total	Per seat	Total	Per seat	Total	Per seat	Total	Per seat
Ground Rent	80,000	\$148	180,000	\$333	260,000	\$481	320,000	\$593
QLICI Debt Service	264,814	490	264,814	490	264,814	490	264,814	490
PCSD Debt Service	155,000	287	155,000	287	155,000	287	155,000	287
Other QALICB costs (E&O, accou)	5,000	9	5,000	9	5,000	9	5,000	9
AT CAPACITY	504,815	\$935	604,815	\$1,120	684,815	\$1,268	744,815	\$1,379
SEATS IN THIS YEAR	300	\$1,683	360	\$1,680	420	\$1,631	540	\$1,379

Coversheet

Organizational Priorities Updates

Section: II. Topical Items
Item: D. Organizational Priorities Updates
Purpose: FYI
Submitted by:
Related Material: Compensation Study Update April 2020.pdf
Dissemination Update April 2020.pdf
Intervention Memo April 2020.pdf



Date: April 2020
 To: Board of Directors
 Submitted By: Melissa Alatorre Alnas
 Re: Compensation Study Update

Background

In October of 2019, Navigator Schools Board of Directors authorized the CEO to utilize paid consultancy during the Navigator Schools compensation study. Since then, Navigator Schools has entered into a partnership with Edgility Consulting to implement a thorough study that will result in a comprehensive compensation program where employees feel valued, are supported in their professional growth, and know that their wages are competitive with neighboring districts and charter schools.

Study Process

During the study, Edgility will complete the following four phases:

Context Building

Edgility gathers organizational information in the following ways:

- all staff survey
- stakeholder 1:1 and focus group conversations
- document collection (budget summary, job descriptions, org. chart, benefits summary, employee handbook)

External Benchmarking

Edgility identifies external comparison organizations and research their compensation offering including:

- salary
- bonus
- benefits
- retirement

Structure Design

Edgility builds a recommended salary structure for each position and level within the organization and also provides suggestions for benefits policies and other employee supports.

Client Support

Edgility, with Navigator's feedback on initial recommendations, develops final recommendations and provides implementation support. The support includes:

- implementation plan
- frameworks and tools to guide future compensation decisions
- developing an implementation plan for a phased rollout approach

Study Status

As of April 08, 2020, Edgility has completed the context building step of the study process and is working to complete external benchmarking. This portion of the study will be presented to Navigator within the next few weeks. Structure design and client support will be completed by the end of May 2020.

Internal Findings

Edgility gathered data through an all staff survey and also implemented 1:1 and focus group conversations. The findings cover the following areas:

- Retention
- Breakdown of responses (how many from each site, percentage of leadership, certificated, other)
- Strengths of organization
- Areas for growth
- Work Environment
- Compensation
- Career Advancement

Survey and focus group results led Edgility to recommend that Navigator focus on changes in three areas:

- **Work environment:** Navigator culture is strong. Staff are committed to our mission and the work we do. Changes are recommended in the areas of supporting student behavior and addressing curriculum changes in a more planned, consistent manner.
- **Compensation:** Navigator stakeholders have different priorities regarding compensation. Working toward a system that addresses the priorities of all staff is important.
- **Career Advancement:** Improving transparency and clarity around career pathways and advancement opportunity will be significant as the compensation study work continues. Navigator staff are invested in their organization and are interested in learning more about how to participate in advancement opportunities.

The results of the findings were presented to site Principals, Chiefs, and Directors during a presentation and design session. The design portion of the meeting served as an opportunity for organizational leaders to respond to and give input on the findings, and for Edgility to gather information that will inform next steps in the process.

Next Steps

Edgility's final steps in the compensation study process are as follows:

- Complete external benchmarking and analyze Navigator' position in the K-12 educational market
- Share salary structures and compensation philosophy with the leadership team for discussion and final approval
- Support Navigator in the implementation of a new compensation program where fiscally feasible
- Support Navigator in a creation of a multi-year rollout plan if all elements of the program are not feasible for implementation at this time

Summary

Navigator Schools is a strong charter school organization that has achieved much success. Acknowledging the dedication, hard work, and perseverance that our employees in all positions put into our schools and organization every day is crucial to Navigator's continued success. Navigator Schools leadership looks forward to continuing to work with Edgility to produce a comprehensive compensation program that shows employees that they are valued and supported in their professional growth, while also staying competitive with neighboring districts and charter schools.



Date: April 20, 2020

To: Navigator Schools Board of Directors

From: James Dent, CAO and Heather Parsons, Director of Curriculum & Instruction

Subject: Dissemination Update

Objectives

- 1) The Board will receive grant updates.
- 2) The Board will be briefed on work with our current partner schools.
- 3) The Board will be briefed on next steps for dissemination.
- 4) The Board will be provided questions to consider as we look to 2020-21, the second year of the board-approved two-year dissemination pilot

Grant Update

Navigator received a grant from the Charles and Helen Schwab Foundation to continue to increase our impact through dissemination. The grant award of \$250,000 is for a one-year period beginning November 1, 2019 will help sustain dissemination efforts into 2020-21. Funding received for dissemination efforts have allowed Navigator to pay for salaries that are benefiting our partner schools as well as Navigator's in many ways, including improved materials and coaching.

Current Partnership Work

We continue to work with:

- Cerra Vista (Hollister)
- Gem Prep Nampa (Idaho)
- Healdsburg Unified School District
 - Healdsburg Charter
 - Healdsburg Elementary

During this COVID crisis we have reached out to, and have been working with our current partners in whatever capacity that they feel helpful. We have offered flexible agendas that include collaboration on distance learning models, curriculum, technology, and coaching. Our top priority at this time is to continue building relationships and community with our partners and offer relevant and caring discussions.

Next Steps

The following actions are planned to further dissemination efforts:

1. The dissemination team will continue to work with current partners to ensure we are providing relevant support during the duration of this school year and the COVID crisis.
2. We are working on a dissemination strategy for the 2020-2021 academic year. We are taking into consideration budget implications for Navigator and partner organizations as well as the state's plan to reopen face-to-face instruction.

3. When the unknowns become known we will update the budget with revenue and cost projections.
4. The team will continue to map demand, assess current partners' willingness to increase spending to meet costs, and develop a strategic marketing plan to attract new partnerships.
5. We will continue to create a talent plan for model-provider leadership and execution responsibilities.
6. We will continue to evaluate obstacles that our partners are encountering so that we can iterate the dissemination scope and sequence for both public charter and traditional public school partners.

Partnership Development for 2020-21

We are unsure of what the partnership landscape will look like for the 20-21 school year due to the COVID crisis. We will continue to engage both our current partners as well as the following schools for possible 2020-21 collaboration:

- Hayward Collegiate (Hayward)
- Yu-Ming Charter School (Oakland)
- Wonderful Prep School (2) (Delano)
- Grimmway Schools (2) (Bakersfield)
- Rod Kelley (Gilroy Unified)

Additionally, one school district inquired about a potential partnership in which we provide coaching, support and training to the district's principal manager, as opposed to supporting the principal directly. This approach has interesting benefits as it could increase capacity at a more senior level in the organization which could strengthen sustainability of Navigator model implementation while also potentially increasing the number of principals and students impacted.

While we anticipate the partner schools we have been working with will want to continue in some form, it is hard to know the extent of financial resources they will be able to contribute towards the work. In addition, the several new organizations that expressed interest in partnering for 2020-21 may not have the bandwidth to take on the work or the resources to pay for it. Reallocation of our model providing staff is a significant challenge as their work supports partners and the existing Navigator Schools with model development work. Two of these staff have been shared between model providing and middle school coaching. Current thinking on our approach for 2020-21 is to plan for various scenarios based on potential budgetary limitations and private funding received to continue to support the pilot.

We look forward to continuing to update the Board as we pilot the dissemination work this year and will continue to keep you updated regarding the possibilities for 2020-21 given the impact of the COVID-19 crisis and the impact on our .



Date: April 20, 2020

To: Board of Directors

Submitted By: James Dent and Sharon Waller

Subject: Intervention Priority - 2020 Extended School Year

Background

Navigator Schools, as part of its commitment to eliminating the achievement gap between subgroups of students, has an extended year program during the summer break for students who need additional instruction. This year we will continue to offer an extended school year for any students needing extra support. We are anticipating a distance learning format for summer school, but in the event that our schools are able to operate a 'social distance' summer school we will also plan for that.

Program Components of the Distance Plan

Summer school will have two program sections in the Distance Plan, a tier two/three section for those students who are in need of more intensive academic instruction, and tier one section for those students who may need extra skills practice using targeted educational software applications.

The tier two/three program will provide up to three hours of academic time for students divided into live, small group instruction, and active engagement in the online learning platform to complete assigned activities and practice skills. All students in the tier two/three section will have at least four assigned goals they are working towards. Student successes will be celebrated at the end of the four week section with a variety of fun incentives.

The tier one section will allow students to access prescribed online educational apps, assigned goals to work towards, and weekly goal checks-ins with teachers. Student successes will also be celebrated through awards, parent phone calls, and PBIS points to use for prizes.

Program Goals

The goals for the tier two/three program will be individualized for each student and will generally focus on reading fluency, reading comprehension, vocabulary, writing, and mathematics. Outcomes will be measured through pre- and post-testing data that may include the following: STAR reading, STAR math, reading fluency passages, pre- and post-testing of key vocabulary, and pre- and post-test writing samples.

Fidelity of Implementation

At each of our three sites, the director of student services and/or the summer school leads will conduct daily virtual walkthroughs of the classrooms. Coaching and support will be provided to staff who require assistance. Attendance will be monitored by the teachers and site office staff. The ITOM department will support families with any technical needs related to software or hardware. Students who are not attending will be contacted and encouraged to attend. If a

student continues to be absent from the summer school program, a parent meeting will be arranged to determine what the issues are. Weekly educational software data will be compiled by the site leads, with the help of the director of student services.

Program Components of the *Social Distance (SD)* Summer School

As safety is the biggest concern for our students and staff, a *COVID-19 Safety Protocol for Maintaining Social Distance* will be established by the ITOM and Student Services Department. This protocol will determine cleaning and sanitizing schedules, student seating arrangements, ratios of students to teachers, dismissal procedures, and all other necessary directives to maintain student and staff safety. In accordance with this protocol, the summer school program will be as follows:

- Students will participate in 2 hour blocks of specialized, intensive, small group instruction by a teacher, small group instructor and/or a paraprofessional. These two hour blocks will include direct instruction in reading fluency, comprehension, writing, vocabulary, and mathematics, if that is the skill gap. Each student will be working towards meeting their individual goals of which three to four will be identified by their teachers based on baseline data.
- Attendance tracking and data collection will be done by the teachers. Office staff will be available to help with parent outreach, and dismissal. The ITOM department staff will be available to assist with technical issues related to hardware and software.
- Some students will also be allowed to use the adaptive educational software during the extended year time, as described above in the tier one section.

Program Goals

The goals for the *SD* program will be the same as those that would've been created for the Distance Learning plan.

Fidelity of Implementation

At each of the sites, the director of student services or the summer school leads will conduct daily walkthroughs of the classrooms. Coaching and support will be provided to staff who require assistance. Attendance will be monitored by the teachers and site office staff. The ITOM department will support families with any technical needs related to software or hardware. Students who are not attending will be contacted and encouraged to attend. If a student continues to be absent from the summer school program, a parent meeting will be arranged to determine what the issues are. Weekly educational software data will be compiled by the site leads, with the help of the director of student services. A summer school data report will be submitted to the Directors and Chiefs by August 30th, 2020.

Next steps

The planning team is holding weekly meetings with relevant SO staff, school leadership and summer school leads to continue to plan for either version of summer school. To date, student lists are being generated, invitations will be sent out and staff is being recruited to teach. The *COVID-19 Safety Protocol for Maintaining Social Distance* will be drafted. A final version of the detailed summer school plans will be presented to the Directors and Chiefs by May 20th, including the Safety Protocol.

Coversheet

Finance Committee Report

Section: III. Committee Items
Item: A. Finance Committee Report
Purpose: FYI
Submitted by:
Related Material: March 31 2020 Financials.pdf



2019-20 Financial Report Narrative
 April 28, 2020 Board Meeting
 Financials through March 31, 2020

	NET INCOME	
	<u>Current Projection</u>	<u>BOD Approved Budget</u>
CMO	\$345k	\$21k
Gilroy Prep	\$157k	\$190k
Hollister Prep	\$206k	\$221k
Watsonville Prep	<u>-\$61k</u>	<u>-\$122k</u>
Total	\$823k	\$310k

- Charter Management Office (CMO) projected net income variance highlights
 - \$415k favorable variance in fundraising due to fundraising and grant revenue coming in higher than what was budgeted
 - \$64k unfavorable variance in books & supplies which includes additional technology and hotspots for families and staff due to school closure
 - \$51k unfavorable variance in services due to the use of non instructional consultants not budgeted, including \$30k for Edgility Consulting for the Compensation Study

- Gilroy Prep School (GPS) projected net income variance highlights
 - \$48k favorable variance in Local Control Funding Formula (LCFF) revenue due to new Fiscal Crisis Management Assistance Team (FCMAT) calculation
 - \$40k unfavorable variance in other revenue due to school closure and food service sales and spirit wear sales have ceased
 - \$102k unfavorable variance in fundraising is projected due to the departure of staff responsible for site-based fundraising
 - \$92k favorable variance in services due to school closure and operations have ceased for the remainder of the year

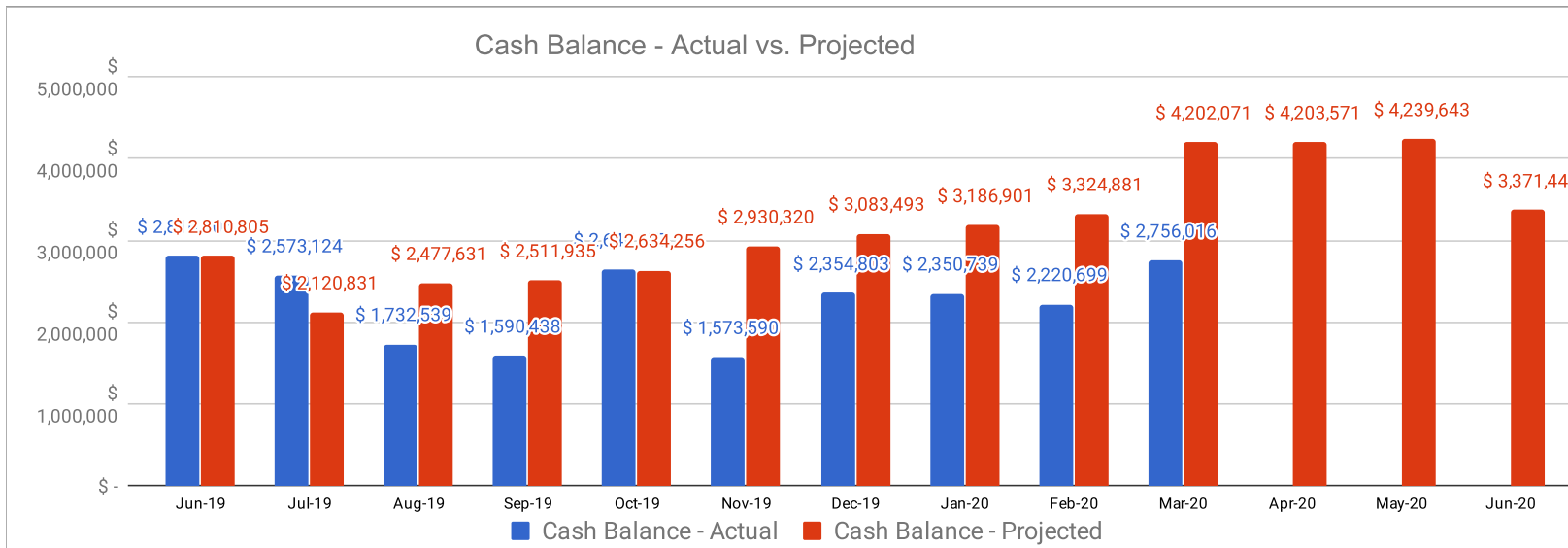
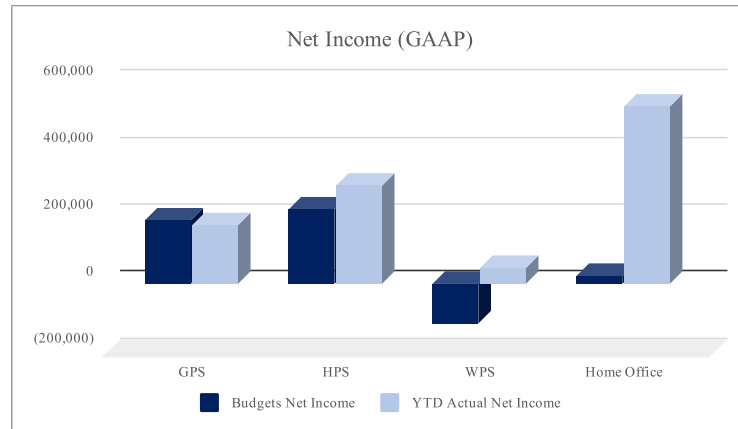
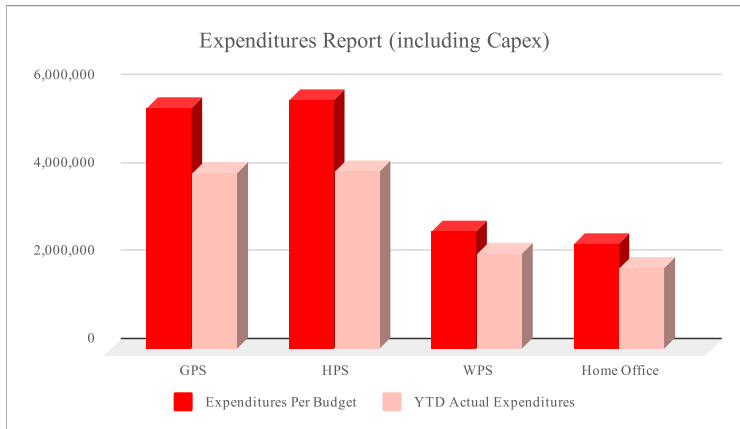
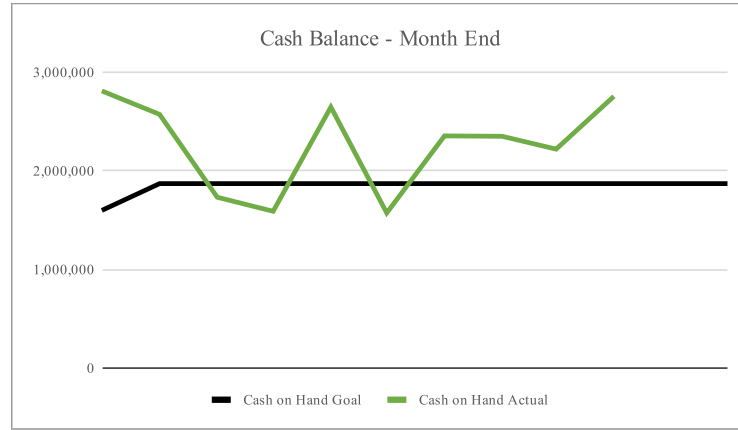
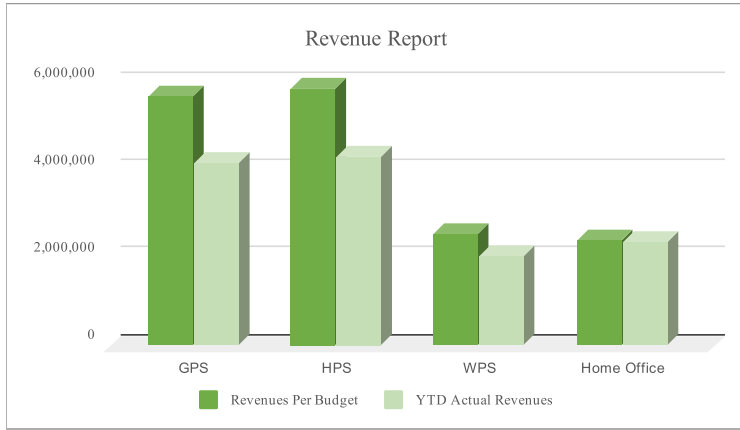
- Hollister Prep School (HPS) projected net income variance highlights
 - \$15k unfavorable variance in LCFF revenue due to new FCMAT calculation
 - \$91k unfavorable variance in fundraising is projected due to the departure of staff responsible for site-based fundraising
 - \$38k unfavorable variance in other revenue due to school closure and food service sales and spirit wear sales have ceased
 - \$70k favorable variance in services due to school closure and operations have ceased for the remainder of the year
 - \$60k favorable variance in books & supplies due to technology expenses being lower than budgeted



- Watsonville Prep School (WPS) projected net income variance highlights
 - \$59k unfavorable variance in LCFF revenue due to new FCMAT calculation using current enrollment and Average Daily Attendance (ADA) numbers
 - \$100k favorable variance in fundraising
 - \$25k favorable variance in services due to special education contractors expenses being lower than budgeted
 - \$300k (Board approved) has been added to capital outlay for the 407 project

Navigator Schools
 Consolidated Balance Sheet Comparison
 March 31, 2020

	<u>3/31/2020</u>	Actual <u>6/30/2019</u>	Actual <u>6/30/2018</u>
Cash	2,756,016	2,810,805	2,981,724
Accounts Receivable	2,120,189	1,230,222	776,899
Prepaid Expense	90,320	110,473	221,301
Fixed Assets, net of depreciation	483,166	443,235	324,446
Other Assets	4,763	0	2,915
Total Assets	5,454,454	4,594,735	4,307,284
Accrued Liabilities	662,128	739,182	845,666
Loans Payable	113,379	0	0
Total Liabilities	775,507	739,182	845,666
Beginning Fund Balance	3,855,553	3,461,617	2,937,269
Net Income	823,394	393,936	524,348
Ending Fund Balance	4,678,947	3,855,553	3,461,617
Total Liabilities & Fund Balance	5,454,454	4,594,735	4,307,284

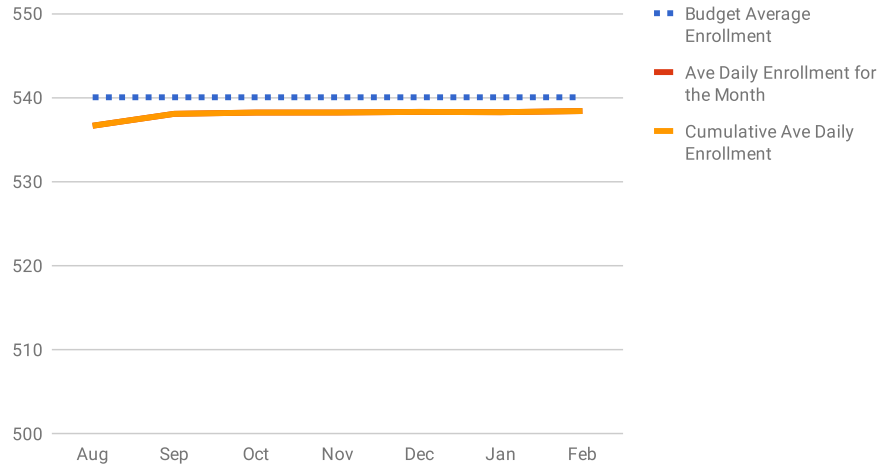


Navigator Schools - NS Board Meeting - Agenda - Tuesday April 28, 2020 at 6:00 PM

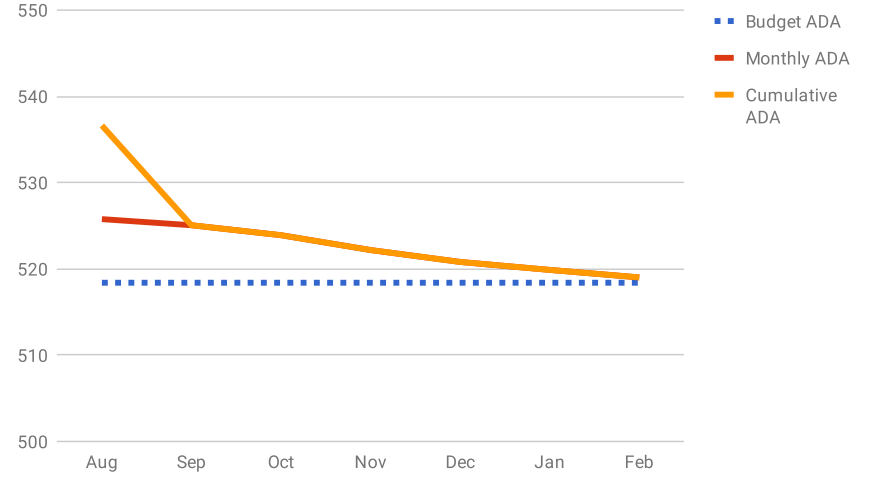
Navigator Schools - 2019-20 Budget vs. Projection

Summary Level	March 31, 2020	Total				GPS				HPS				WPS				CMO			
		2019-20	2019-20	2019-20	Total Projection	2019-20	2019-20	2019-20	Total Projection	2019-20	2019-20	2019-20	Total Projection	2019-20	2019-20	2019-20	Total Projection	2019-20	2019-20	Total Projection	
		BOD Approved	YTD	Projection	Variance to Budget	BOD Approved	YTD	Projection	Variance to Budget	BOD Approved	YTD	Projection	Variance to Budget	BOD Approved	YTD	Projection	Variance to Budget	BOD Approved	YTD	Projection	Variance to Budget
REVENUE:	Enrollment	1252	1248	0		540	539	0		540	541	0		172	168	0					
	LCFF Revenue	11,527,937	8,829,759	11,502,442	(25,495)	4,727,826	3,575,662	4,776,039	48,213	5,031,476	3,803,363	5,016,744	(14,732)	1,768,635	1,450,734	1,709,659	(58,976)	0	0	0	0
	Federal Revenue	772,692	390,732	772,692	0	327,356	192,534	327,356	0	246,894	129,548	246,894	0	198,442	68,650	198,442	0	0	0	0	0
	Other State Revenue	978,114	738,706	978,114	0	427,661	317,320	427,661	0	405,140	331,710	405,140	0	145,313	89,676	145,313	0	0	0	0	0
	Donations & Grants	1,153,170	1,349,620	1,472,000	321,200	108300	4,171	6,000	(102,300)	107,500	15,358	16,000	(91,500)	400,000	400,000	500,000	100,000	535,000	930,091	950,000	415,000
	Other Revenue	203,530	144,751	156,391	(47,139)	110,670	67,863	70,000	(40,670)	73,517	30,599	35,000	(38,517)	18,428	18,791	18,791	363	915	27,498	32,600	31,685
	CMO Management Fees	1,871,856	1,398,825	1,865,097	(6,759)													1,871,856	1,398,825	1,865,097	(6,759)
	REVENUE	16,504,929	12,852,393	16,746,736	241,807	5,701,813	4,157,550	5,607,056	(94,757)	5,864,527	4,310,578	5,719,778	(144,749)	2,530,818	2,027,851	2,572,205	41,387	2,407,771	2,356,414	2,847,697	439,926
EXPENDITURES:																					
	Salaries	8,811,933	6,151,102	8,811,933	0	2,993,603	2,057,953	2,993,603	0	2,934,268	2,061,019	2,934,268	0	1,237,309	841,593	1,237,309	0	1,646,753	1,190,537	1,646,753	0
	Benefits & Taxes	2,183,979	1,625,689	2,183,979	0	749,075	584,764	749,075	0	717,355	548,186	717,355	0	292,689	242,066	292,689	0	424,860	250,673	424,860	0
	Books & Supplies	1,210,872	1,097,530	1,252,000	41,128	335,773	364,975	366,000	30,227	400,318	269,145	340,000	(60,318)	443,185	392,976	450,000	6,815	31,596	70,434	96,000	64,404
	Services & Other Operating Expense	2,071,469	1,538,059	1,935,000	(136,469)	642,356	407,158	550,000	(92,356)	770,042	537,968	700,000	(70,042)	375,773	275,948	350,000	(25,773)	283,298	316,985	335,000	51,702
	CMO Management Fees	1,865,097	1,398,825	1,865,097	0	756,452	567,342	756,452	0	805,036	603,774	805,036	0	303,609	227,709	303,609	0				0
	Capital Outlay	30,000	217,794	332,369	302,369	15,000	16,396	16,396	1,396	15,000	15,973	15,973	973	0	185,425	300,000	300,000	0	0	0	0
	EXPENDITURES	16,173,350	12,028,999	16,380,378	207,028	5,492,259	3,998,588	5,431,526	(60,733)	5,642,019	4,036,065	5,512,632	(129,387)	2,652,565	2,165,717	2,933,607	281,042	2,386,507	1,828,629	2,502,613	116,106
	REVENUE LESS EXPENDITURES	331,579	823,394	366,358	34,779	209,554	158,962	175,530	(34,024)	222,508	274,513	207,146	(15,362)	(121,747)	(137,866)	(361,402)	(239,655)	21,264	527,785	345,084	323,820
	GAAP Adjustments:																				
	Revenue Less Expenditures	331,579	823,394	366,358	34,779	209,554	158,962	175,530	(34,024)	222,508	274,513	207,146	(15,362)	(121,747)	(137,866)	(361,402)	(239,655)	21,264	527,785	345,084	323,820
	Add back Capita Outlay to Net Income	30,000	217,794	332,369	116,944	15,000	16,396	16,396	1,396	15,000	15,973	15,973	973	0	185,425	300,000	114,575	0	0	0	0
	Subtract Depreciation Expense	(52,000)	0	(52,000)	0	(35,000)	0	(35,000)	0	(17,000)	0	(17,000)	0	0	0	0	0	0	0	0	0
	Net Income - GAAP Basis 2018-19	309,579	1,041,188	646,727	337,148	189,554	175,358	156,926	(32,628)	220,508	290,486	206,119	(14,389)	(121,747)	47,559	(61,402)	60,345	21,264	527,785	345,084	323,820
	Beginning Net Assets @ 6/30/19	3,855,550	3,855,550	3,855,550		1,861,759	1,861,759	1,861,759		1,787,623	1,787,623	1,787,623		124,997	124,997	124,997		81,171	81,171	81,171	
	Net Income - GAAP Basis 2019-20	309,579	1,041,188	646,727		189,554	175,358	156,926		220,508	290,486	206,119		(121,747)	47,559	(61,402)		21,264	527,785	345,084	
	Ending Net Assets @ 6/30/20	4,165,129	4,896,738	4,502,277		2,051,313	2,037,117	2,018,685		2,008,131	2,078,109	1,993,742		3,250	172,556	63,595		102,435	608,956	426,255	

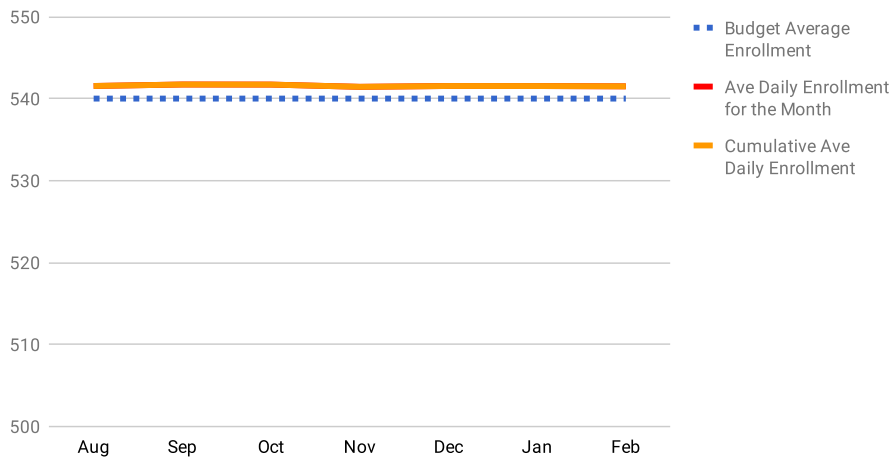
GPS Enrollment



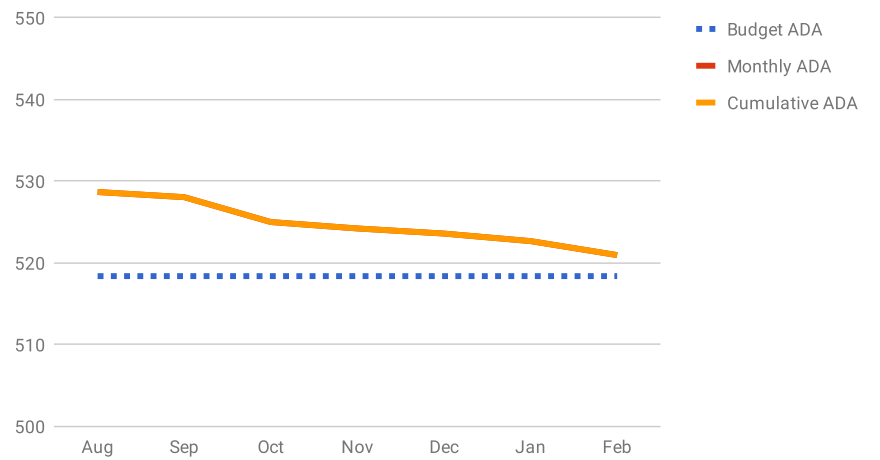
GPS ADA

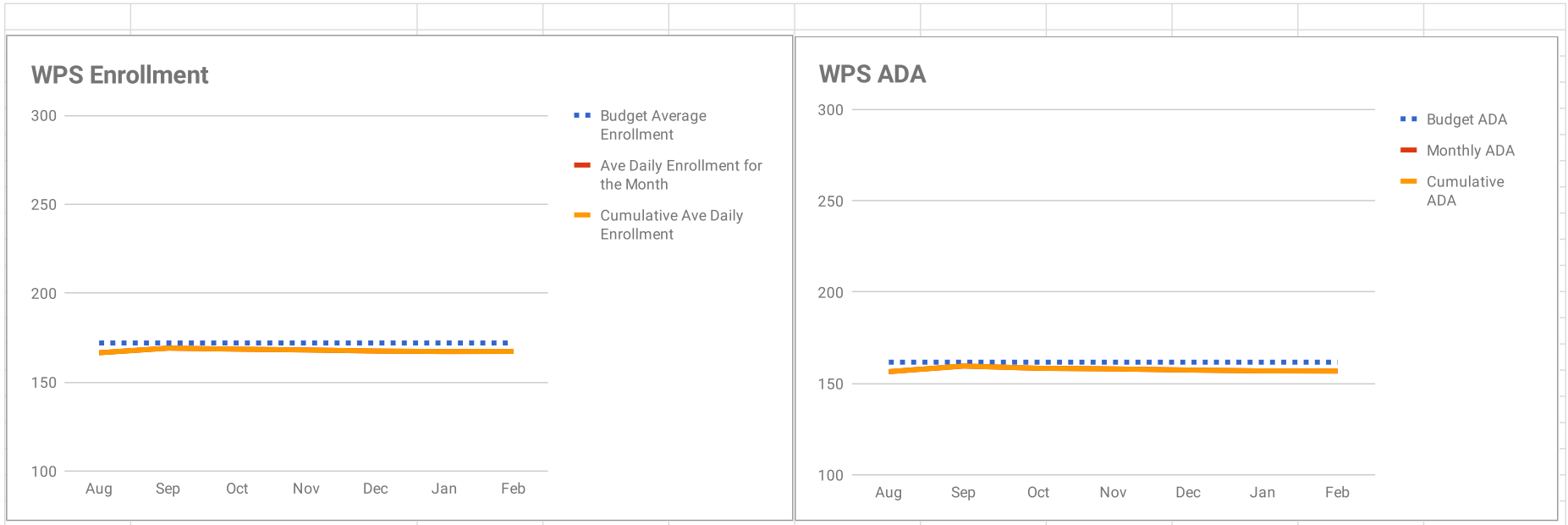


HPS Enrollment



HPS ADA





Navigator Schools - Financial Data

<u>Attendance and Enrollment Data</u>	<u>Total</u>	<u>GPS</u>	<u>HPS</u>	<u>WPS</u>
2019-20 ADA - Approved Budget	1198.5	518.4	518.4	161.68
2019-20 ADA thru 2/29/2020	1196.8	519.0	521.0	156.82
2019-20 ADA %- Approved Budget	95.7%	96.0%	96.0%	94%
2019-20 ADA % thru 2/29/2020	96.0%	96.4%	96.2%	93.8%
2019-20 Enrollment - Approved Budget	1252.0	540.0	540.0	172
2019-20 Ave Enrollment thru 2/29/2020	1247.0	538.4	541.4	167.24
Enrollment as of 2/29/2020	1248.0	539.0	541.0	168

*Budgeted ADA is at 96%

	<u>Actual</u>
Cash balance as of 03/31/2020	2,756,016
Annual Expenditures (not including CMO Mgmt Fees)	14,308,253
Number of Months Cash on Hand	2.31

Coversheet

Consent Agenda

Section: IV. Consent Agenda
Item: A. Consent Agenda
Purpose: Vote
Submitted by:
Related Material: 2020-21 Consolidated Application for Funding.pdf
WPS Prop 39.pdf
BR_2020-10 PCSGP Memo and Resolution.pdf
WPS 2nd Interim Report.pdf
2020-21 SCCOE STRS Agreement.pdf



Date: April 28, 2020

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: 2020-21 Consolidated Application for Funding

It is recommended that the Board approve the 2020-21 Consolidated Application for Funding for Gilroy Prep, Hollister Prep and Watsonville Prep.

Background

Local Educational Agencies (LEA) use the Consolidated Application and Reporting System (CARS) to electronically apply for, manage, report and provide assurances that the LEA will comply with the legal requirements related to specific formulas driven by state and/or federal categorical programs. The LEA is required to review and receive approval of their Application for Funding selections with their local governing board.

With the Board's approval Gilroy Prep, Hollister Prep and Watsonville Prep will all be applying for Title I-Part A, Title II- Part A, Title III- Part A, and Title IV-Part A.

Summary

Staff recommends the Board to approve the 2020-21 Application for Funding for Gilroy Prep, Hollister Prep and Watsonville Prep.



Date: April 27, 2020

To: Navigator Schools Board of Directors

From: Kevin Sved, CEO

Subject: Proposition 39 Offer for Watsonville Prep School

Background

In accordance with Proposition 39 requirements, Pajaro Valley Unified School District offered Watsonville Prep the following space for 2020-21:

- Current 7 classrooms at E.A. Hall (We use 6 for classrooms and one for office)
- Additional 4 classrooms at Ann Soldo to accommodate the school's growth in enrollment from current 174 students in grades K-2 to a projected 240 students, in grades K-3.

Staff has been working on addressing the challenges associated with operating a split site. Legal counsel has reviewed the Proposition 39 offer from Pajaro Valley Unified School District and the associated Facilities Use Agreement.

Recommended Action

It is recommended that the Board authorize the CEO to accept the Proposition 39 offer from Pajaro Valley Unified School District and execute the associated Facilities Use Agreement.



Date: 04/20/20

To: Navigator Schools Board of Directors

From: Kevin Sved, CEO

Subject: Use of Grant Funds

Background

In the fall of 2019 Watsonville Prep was awarded a \$375,000 Public Charter School Grant Program (PCSGP) grant from the California Department of Education (CDE) to support the launch of Watsonville Prep. PCSGP is a grant program funded by the US Department of Education (USDE). PCSGP funds may be used for one-time transportation costs with a board resolution demonstrating commitment to pay for ongoing maintenance and operational costs associated with transportation. The Proposition 39 offer from Pajaro Valley Unified is for a split-site operation in 2020-21, with students being housed in classrooms at E.A. Hall Middle School and Ann Soldo Elementary School. To address the challenges related to operating WPS at two locations, we would like to operate a shuttle service to support parents. In addition, we will also explore operating a route to and from school as a way to improve attendance.

We propose purchasing three 10-passenger vans to operate the shuttle service. One of the vehicles will be ADA accessible with the appropriate lift and restraints at the estimated cost of \$80,000. The other two vans are estimated at \$40,000 each for a total estimated expense of \$160,000. Our research indicates that the annual operating for each van will be \$4,000, which includes maintenance, insurance, and fuel. We anticipate that each van will be driven by a Watsonville Prep staff member. We project \$12,500 of compensation expense for each driver working two hours a day for 180 days a year. We anticipate that these drivers will be composed primarily of hourly instructional and supervision staff members who would be interested in earning an additional hour of compensation at the beginning and end of their work day.

Recommended Action

We recommend the Board approve the attached resolution confirming the Board's commitment to support ongoing operating costs associated with the purchase of three vans and authorizing the CEO to request a revision to the budget associated with Watsonville Prep's PCSGP grant to purchase up to three vans.

Attached:

-Resolution 2020-10

BOARD RESOLUTION 2020-10

April 28, 2020

Commitment to Operational Costs of Vehicles

A RESOLUTION OF THE BOARD OF DIRECTORS of Navigator Schools regarding a commitment to supporting the ongoing operational costs associated with purchasing up to three vans for Watsonville Prep School using Public Charter School Grant Program (PCSGP) funds from the California Department of Education (CDE):

WHEREAS Watsonville Prep was awarded a \$375,000 Public Charter School Grant Program (PCSGP) grant from the California Department of Education (CDE) to support the launch of Watsonville Prep,

WHEREAS PCSGP funds may be used for one-time transportation costs with a board resolution demonstrating commitment to pay for ongoing maintenance and operational costs associated with transportation,

WHEREAS operating a shuttle service for students will improve student attendance and help address the challenges associated with operating Watsonville Prep across two campuses, and

WHEREAS staff has researched operating costs to be affordable within the annual budget for Watsonville Prep,

RESOLVED, the Navigator Schools Board of Directors confirms its commitment to support ongoing operating costs associated with the purchase of three vans and authorizes the CEO to request a revision to the budget associated with Watsonville Prep's PCSGP grant to purchase up to three vans.

The officers of this corporation are authorized to perform the acts necessary to carry out this resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of Navigator Schools a regular meeting held via teleconference on April 28.

Caitrin Wright
Board Chair
Navigator Schools, a California Nonprofit Public Benefit Corporation

The Secretary of the Corporation certifies that the above is true and copy of the resolution that was duly adopted at the dated meeting of the Navigator Schools Board of Directors.

John Flaherty, Secretary

Date



Date: April 28, 2020

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: Approval of WPS's 2nd Interim Report

Recommendation

It is recommended the Board approve, as part of the consent agenda, Watsonville Prep School's 2nd Interim Report, as required by the California Department of Education (CDE).

Background

Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31.

While WPS's charter does not require us to have Board's approval of the interim reports, our authorizer has requested that we do obtain our Board's approval.

Summary

It is recommended the Board approve, as part of the consent agenda, Watsonville Prep School's 2nd Interim Report, as required by the California Department of Education (CDE).

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report Certification**

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2019/20

To the entity that approved the charter school:

(x) 2019/20 CHARTER SCHOOL SECOND INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: Kevin Sved Date March 19, 2020
Charter School Official
(Original signature required)

Print
Name: Kevin Sved Title CEO

To the County Superintendent of Schools:

(x) 2019/20 CHARTER SCHOOL SECOND INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____ Date _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Print
Name: _____ Title _____

For additional information on the Second Interim Report, please contact:

For Approving Entity:

For Charter School:

Name

Title

Phone

E-mail

Kevin Sved
Name

CEO
Title

650-490-6040
Phone

ksved@navigatorsschools.org
E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

District Advisor

Date

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Detail

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2019/20

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
 Modified Accrual Basis (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	1st Interim Budget			Actuals thru 01/31			2nd Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. Revenue Limit Sources										
State Aid - Current Year	8011	1,061,359.00	-	1,061,359.00	947,748.00	-	947,748.00	1,048,333.00	-	1,048,333.00
Education Protection Account State Aid - Current Year	8012	32,336.00	-	32,336.00	16,820.00	-	16,820.00	31,020.00	-	31,020.00
Charter Schools Gen. Purpose Entitlement - State Aid	8015	-	-	-	-	-	-	-	-	-
State Aid - Prior Years	8019	-	-	-	-	-	-	-	-	-
Tax Relief Subventions	8020-8039	-	-	-	-	-	-	-	-	-
County and District Taxes	8040-8079	-	-	-	-	-	-	-	-	-
Miscellaneous Funds	8080-8089	-	-	-	-	-	-	-	-	-
LFFF/Revenue Limit Transfers:										
PERS Reduction Transfer	8092	-	-	-	-	-	-	-	-	-
Charter Schools Funding in Lieu of Property Taxes	8096	674,940.00	-	674,940.00	-	-	-	630,306.00	-	630,306.00
Other LFFF/Revenue Limit Transfers	8091, 8097	-	-	-	-	-	-	-	-	-
Total, LFFF/Revenue Limit Sources		1,768,635.00	-	1,768,635.00	964,668.00	-	964,668.00	1,709,659.00	-	1,709,659.00
2. Federal Revenues										
No Child Left Behind	8290	-	153,752.00	153,752.00	-	17,571.00	17,571.00	-	153,752.00	153,752.00
Special Education - Federal	8181, 8182	-	-	-	-	-	-	-	-	-
Child Nutrition - Federal	8220	-	102,844.00	102,844.00	-	-	-	-	102,844.00	102,844.00
Other Federal Revenues	110, 8260-8299	-	-	-	-	-	-	-	-	-
Total, Federal Revenues		-	256,596.00	256,596.00	-	17,571.00	17,571.00	-	256,596.00	256,596.00
3. Other State Revenues										
Charter Schools Categorical Block Grant (8480 N/A thru 14/15-S)	N/A thru 14/15	-	-	-	-	-	-	-	-	-
Special Education - State	StateRevSE	-	97,628.00	97,628.00	-	-	-	-	97,628.00	97,628.00
All Other State Revenues	StateRevAG	40,409.00	7,276.00	47,685.00	-	-	-	40,409.00	7,276.00	47,685.00
Total, Other State Revenues		40,409.00	104,904.00	145,313.00	-	-	-	40,409.00	104,904.00	145,313.00
4. Other Local Revenues										
All Other Local Revenues	LocalRevAG	468,428.00	-	468,428.00	315,893.94	-	315,893.94	468,428.00	-	468,428.00
Total, Local Revenues		468,428.00	-	468,428.00	315,893.94	-	315,893.94	468,428.00	-	468,428.00
5. TOTAL REVENUES		2,277,472.00	361,500.00	2,638,972.00	1,280,561.94	17,571.00	1,298,132.94	2,218,496.00	361,500.00	2,579,996.00
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	309,534.00	176,900.00	486,434.00	226,782.86	5,440.00	232,222.86	357,069.00	129,365.00	486,434.00
Certificated Pupil Support Salaries	1200	61,332.00	-	61,332.00	30,076.22	-	30,076.22	61,332.00	-	61,332.00
Certificated Supervisors' and Administrators' Salaries	1300	303,179.00	-	303,179.00	129,718.89	-	129,718.89	303,179.00	-	303,179.00
Other Certificated Salaries	1900	20,000.00	-	20,000.00	-	-	-	20,000.00	-	20,000.00
Total, Certificated Salaries		694,045.00	176,900.00	870,945.00	386,577.97	5,440.00	392,017.97	741,580.00	129,365.00	870,945.00
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	195,140.00	-	195,140.00	137,623.60	-	137,623.60	195,140.00	-	195,140.00
Non-certificated Support Salaries	2200	-	-	-	-	-	-	-	-	-
Clerical and Office Salaries	2300	-	-	-	-	-	-	-	-	-
Other Non-certificated Salaries	2400	63,960.00	-	63,960.00	32,640.21	-	32,640.21	63,960.00	-	63,960.00
Total, Non-certificated Salaries	2900	107,264.00	-	107,264.00	70,664.06	-	70,664.06	107,264.00	-	107,264.00
Total, Non-certificated Salaries		366,364.00	-	366,364.00	240,957.87	-	240,957.87	366,364.00	-	366,364.00
3. Employee Benefits										
STRS	3101-3102	91,549.10	30,249.90	121,799.00	64,239.66	930.24	65,169.90	69,427.69	22,121.42	91,549.10
PERS	3201-3202	-	-	-	-	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	32,263.00	5,307.00	37,570.00	22,902.66	163.20	23,065.86	28,382.05	3,880.95	32,263.00
Health and Welfare Benefits	3401-3402	93,220.80	22,983.20	116,204.00	76,616.88	596.92	77,213.72	82,968.83	10,251.87	93,220.80
Unemployment Insurance	3501-3502	3,229.00	1,769.00	4,998.00	5,988.28	54.40	6,042.68	7,445.44	1,293.65	8,739.09
Workers' Compensation Insurance	3601-3602	10,162.10	1,945.90	12,108.00	790.30	59.84	850.14	2,400.00	1,423.02	3,823.02
OPEB, Allocated	3701-3702	-	-	-	-	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-	-	-	-	-
PERS Reduction (for revenue limit funded schools)	3801-3802	-	-	-	-	-	-	-	-	-
Other Employee Benefits	3901-3902	-	-	-	-	-	-	-	-	-
Total, Employee Benefits		230,424.00	62,265.00	292,689.00	172,547.62	1,804.60	174,352.22	190,624.01	38,971.00	229,595.01
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	13,175.00	2,325.00	15,500.00	18,342.33	3,236.85	21,579.18	18,690.75	3,209.25	21,900.00
Books and Other Reference Materials	4200	18,700.00	3,300.00	22,000.00	13,134.91	2,317.95	15,452.86	14,303.80	2,524.20	16,828.00
Materials and Supplies	4300	23,260.00	31,310.00	54,570.00	46,859.98	4,771.60	51,631.58	51,413.45	4,586.55	56,000.00
Noncapitalized Equipment	4400	220,940.00	-	220,940.00	229,595.67	-	229,595.67	236,000.00	-	236,000.00
Food	4700	134,175.00	-	134,175.00	-	51,721.40	51,721.40	31,331.00	102,844.00	134,175.00
Total, Books and Supplies		410,250.00	36,935.00	447,185.00	307,932.89	62,047.80	369,980.69	351,739.00	113,164.00	464,903.00
5. Services and Other Operating Expenditures										
Subagreements for Services	5100	-	-	-	-	-	-	-	-	-
Travel and Conferences	5200	15,840.00	5,400.00	21,340.00	13,809.63	-	13,809.63	16,800.00	-	16,800.00
Dues and Memberships	5300	2,231.00	-	2,231.00	5,261.40	-	5,261.40	7,855.00	-	7,855.00
Insurance	5400	12,374.00	-	12,374.00	8,068.60	-	8,068.60	13,000.00	-	13,000.00
Operations and Housekeeping Services	5500	30,387.00	-	30,387.00	4,985.61	-	4,985.61	15,000.00	-	15,000.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	28,781.00	-	28,781.00	30,451.56	-	30,451.56	38,500.00	-	38,500.00
Professional/Consulting Services and Operating Expend.	5800	457,636.00	80,000.00	537,636.00	338,571.87	-	338,571.87	409,697.00	80,000.00	489,697.00
Communications	5900	12,022.00	-	12,022.00	2,887.33	-	2,887.33	6,000.00	-	6,000.00
Total, Services and Other Operating Expenditures		569,381.00	85,400.00	654,781.00	404,136.00	-	404,136.00	506,852.00	80,000.00	586,852.00

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Detail

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2019/20

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
 Modified Accrual Basis (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	1st Interim Budget			Actuals thru 01/31			2nd Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis)										
Land and Land Improvements	6100-6170	-	-	-	-	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	-	-	-	-	-
Total, Capital Outlay		-	-	-	-	-	-	-	-	-
7. Other Outgo										
Tuition to Other Schools	7110-7143	-	-	-	-	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest	7438	-	-	-	-	-	-	-	-	-
Principal (for modified accrual basis only)	7439	-	-	-	-	-	-	-	-	-
Total, Other Outgo		-	-	-	-	-	-	-	-	-
8. TOTAL EXPENDITURES		2,270,464.00	361,500.00	2,631,964.00	1,512,152.35	69,292.40	1,581,444.75	2,157,159.01	361,500.00	2,518,659.01
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-BB)		7,008.00	-	7,008.00	(231,590.41)	(51,721.40)	(283,311.81)	61,337.00	-	61,337.00
D. OTHER FINANCING SOURCES / USES										
1. Other Sources	8990-8979	-	-	-	-	-	-	-	-	-
2. Less: Other Uses	7630-7699	-	-	-	-	-	-	-	-	-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8990-8999	-	-	-	-	-	-	-	-	-
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	-	-	-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		7,008.00	-	7,008.00	(231,590.41)	(51,721.40)	(283,311.81)	61,337.00	-	61,337.00
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	-	-	-	-	-	-	-	-	-
b. Adjustments to Beginning Balance	9793, 9795	124,997.00	-	124,997.00	124,997.00	-	124,997.00	124,997.00	-	124,997.00
c. Adjusted Beginning Balance		124,997.00	-	124,997.00	124,997.00	-	124,997.00	124,997.00	-	124,997.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		132,005.00	-	132,005.00	(106,593.41)	(51,721.40)	(158,314.81)	186,334.00	-	186,334.00
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711	-	-	-	-	-	-	-	-	-
Stores (equals object 9320)	9712	-	-	-	-	-	-	-	-	-
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	-	-	-	-	-
All Others	9719	-	-	-	-	-	-	-	-	-
b. Restricted	9740	-	-	-	-	(51,721.40)	(51,721.40)	-	-	-
c. Committed										
Stabilization Arrangements	9750	-	-	-	-	-	-	-	-	-
Other Commitments	9760	-	-	-	-	-	-	-	-	-
d. Assigned										
Other Assignments	9780	-	-	-	-	-	-	-	-	-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	131,598.20	-	131,598.20	-	-	-	125,932.95	-	125,932.95
Unassigned/Unappropriated Amount	9790	406.80	-	406.80	(106,593.41)	-	(106,593.41)	60,401.04	-	60,401.04

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Watsonville Prep School
 (continued)
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2018/19

Description	Object Code	1st Interim Budget (X)	Actuals thru 01/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A REVENUES						
1. Revenue Limit Sources						
State Aid - Current Year	8011	1,061,359.00	947,748.00	1,048,333.00	(13,026.00)	-1.23%
Education Protection Account State Aid - Current Year	8012	32,336.00	16,920.00	31,020.00	(1,316.00)	-4.07%
Charter Schools Gen. Purpose Entitlement - State Aid	8015	-	-	-	-	-
State Aid - Prior Years	8019	-	-	-	-	-
Tax Relief Subventions (for rev. limit funded schools)	8020-8039	-	-	-	-	-
County and District Taxes (for rev. limit funded schools)	8040-8079	-	-	-	-	-
Miscellaneous Funds (for rev. limit funded schools)	8080-8089	-	-	-	-	-
LCFF/Revenue Limit Transfers:						
PERS Reduction Transfer	8092	-	-	-	-	-
Charter Schools Funding in Lieu of Property Taxes	8096	674,940.00	-	630,306.00	(44,634.00)	-6.61%
Other LCFF/Revenue Limit Transfers	8091, 8097	-	-	-	-	-
Total, LCFF/Revenue Limit Sources		1,768,635.00	964,668.00	1,709,659.00	(58,976.00)	-3.33%
2. Federal Revenues						
No Child Left Behind (Include ARRA)	8290	153,752.00	17,571.00	153,752.00	-	0.00%
Special Education - Federal	8181, 8182	-	-	-	-	-
Child Nutrition - Federal	8220	102,844.00	-	102,844.00	-	0.00%
Other Federal Revenues (Include ARRA)	110, 8260-8299	-	-	-	-	-
Total, Federal Revenues		256,596.00	17,571.00	256,596.00	-	0.00%
3. Other State Revenues						
Charter Schools Categorical Block Grant	N/A thru 14/15	-	-	-	-	-
Special Education - State	StateRevSE	97,628.00	-	97,628.00	-	0.00%
All Other State Revenues	StateRevAO	47,685.00	-	47,685.00	-	0.00%
Total, Other State Revenues		145,313.00	-	145,313.00	-	0.00%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	468,428.00	315,893.94	468,428.00	-	0.00%
Total, Local Revenues		468,428.00	315,893.94	468,428.00	-	0.00%
5. TOTAL REVENUES						
		2,638,972.00	1,298,132.94	2,579,996.00	(58,976.00)	-2.23%
B EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	486,434.00	232,222.86	486,434.00	-	0.00%
Certificated Pupil Support Salaries	1200	61,332.00	30,076.22	61,332.00	-	0.00%
Certificated Supervisors' and Administrators' Salaries	1300	303,179.00	129,718.89	303,179.00	-	0.00%
Other Certificated Salaries	1900	20,000.00	-	20,000.00	-	0.00%
Total, Certificated Salaries		870,945.00	392,017.97	870,945.00	-	0.00%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	195,140.00	137,623.60	195,140.00	-	0.00%
Non-certificated Support Salaries	2200	-	-	-	-	-
Non-certificated Supervisors' and Administrators' Sal.	2300	-	-	-	-	-
Clerical and Office Salaries	2400	63,960.00	32,640.21	63,960.00	-	0.00%
Other Non-certificated Salaries	2900	107,264.00	70,694.06	107,264.00	-	0.00%
Total, Non-certificated Salaries		366,364.00	240,957.87	366,364.00	-	0.00%
3. Employee Benefits						
STRS	3101-3102	121,799.00	65,169.90	91,549.10	(30,249.90)	-24.84%
PERS	3201-3202	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	37,570.00	23,065.86	32,263.00	(5,307.00)	-14.13%
Health and Welfare Benefits	3401-3402	116,214.00	79,213.72	93,220.80	(22,993.20)	-19.79%
Unemployment Insurance	3501-3502	4,998.00	6,052.60	8,739.09	3,741.09	74.85%
Workers' Compensation Insurance	3601-3602	12,108.00	850.14	3,823.02	(8,284.99)	-68.43%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
PERS Reduction (for revenue limit funded schools)	3801-3802	-	-	-	-	-
Other Employee Benefits	3901-3902	-	-	-	-	-
Total, Employee Benefits		292,689.00	174,352.22	229,595.01	(63,094.00)	-21.56%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Watsonville Prep School
 (continued)
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2018/19

Description	Object Code	1st Interim Budget (X)	Actuals thru 01/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	15,500.00	21,579.18	21,900.00	6,400.00	41.29%
Books and Other Reference Materials	4200	22,000.00	15,452.86	16,828.00	(5,172.00)	-23.51%
Materials and Supplies	4300	54,570.00	51,631.58	56,000.00	1,430.00	2.62%
Noncapitalized Equipment	4400	220,940.00	229,595.67	236,000.00	15,060.00	6.82%
Food	4700	134,175.00	51,721.40	134,175.00	-	0.00%
Total, Books and Supplies		447,185.00	369,980.69	464,903.00	17,718.00	3.96%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	-	-	-	-	-
Travel and Conferences	5200	21,340.00	13,809.63	16,800.00	(4,540.00)	-21.27%
Dues and Memberships	5300	2,231.00	5,361.40	7,855.00	5,624.00	252.08%
Insurance	5400	12,374.00	8,068.60	13,000.00	626.00	5.06%
Operations and Housekeeping Services	5500	30,397.00	4,985.61	15,000.00	(15,397.00)	-50.65%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	28,781.00	30,451.56	38,500.00	9,719.00	33.77%
Professional/Consulting Services and Operating Expenditures	5800	547,636.00	338,571.87	489,697.00	(57,939.00)	-10.58%
Communications	5900	12,022.00	2,887.33	6,000.00	(6,022.00)	-50.09%
Total, Services and Other Operating Expenditures		654,781.00	404,136.00	586,852.00	(67,929.00)	-10.37%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis)						
Land and Land Improvements	6100-6170	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-
Equipment	6400	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	-
Total, Capital Outlay		-	-	-	-	-
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed	7221-7223SE	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-
Debt Service:						
Interest	7438	-	-	-	-	-
Principal (for modified accrual basis only)	7439	-	-	-	-	-
Total, Other Outgo		-	-	-	-	-
8. TOTAL EXPENDITURES		2,631,964.00	1,581,444.75	2,518,659.01	(113,305.00)	-4.30%
C EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (AS APPLICABLE)		7,008.00	(283,311.81)	61,337.00	54,329.00	775.24%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Watsonville Prep School
 (continued)
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2018/19

Description	Object Code	1st Interim Budget (X)	Actuals thru 01/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	-
2. Less: Other Uses	7630-7699	-	-	-	-	-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	-
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D)		7,008.00	(283,311.81)	61,337.00	54,329.00	775.24%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	-	-	-	-	
b. Adjustments to Beginning Balance	9793, 9795	124,997.00	124,997.00	124,997.00	-	0.00%
c. Adjusted Beginning Balance		124,997.00	124,997.00	124,997.00		
2. Ending Fund Balance, June 30 (E + F.1.c.)		132,005.00	(158,314.81)	186,334.00		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	(51,721.40)	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	131,598.20	-	125,932.95	(5,665.25)	-4.30%
Unassigned/Unappropriated Amount	9790	406.80	(106,593.41)	60,401.04	59,994.24	14747.85%

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
Second Interim Report - MYP**

Charter School Name: Watsonville Prep School
 (continued) _____
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2019/20

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
 Modified Accrual Basis (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2019/20			Totals for 2020/21	Totals for 2021/22
		Unrestricted	Restricted	Total		
A. REVENUES						
1. Revenue Limit Sources						
State Aid - Current Year	8011	1,048,333.00	0.00	1,048,333.00	1,645,683.00	1,964,003.00
Education Protection Account State Aid - Current Year	8012	31,020.00	0.00	31,020.00	45,120.00	57,000.00
Charter Schools Gen. Purpose Entitlement - State Aid	8015	0.00	0.00	0.00	0.00	0.00
State Aid - Prior Years	8019	0.00	0.00	0.00	0.00	0.00
Tax Relief Subventions (for rev. limit funded schools)	8020-8039	0.00	0.00	0.00	0.00	0.00
County and District Taxes (for rev. limit funded schools)	8040-8079	0.00	0.00	0.00	0.00	0.00
Miscellaneous Funds (for rev. limit funded schools)	8080-8089	0.00	0.00	0.00	0.00	0.00
LCFF/Revenue Limit Transfers:						
PERS Reduction Transfer	8092	0.00	0.00	0.00	0.00	0.00
Charter Schools Funding in lieu of Property Taxes	8096	630,306.00	0.00	630,306.00	856,596.00	1,193,406.00
Other LCFF/Revenue Limit Transfers	8091, 8097	0.00	0.00	0.00	0.00	0.00
Total, LCFF/Revenue Limit Sources		1,709,659.00	0.00	1,709,659.00	2,547,399.00	3,214,409.00
2. Federal Revenues						
No Child Left Behind	8290	0.00	153,752.00	153,752.00	200,014.00	171,649.00
Special Education - Federal	8181, 8182	0.00	0.00	0.00	28,651.00	36,725.00
Child Nutrition - Federal	8220	0.00	102,844.00	102,844.00	139,868.00	179,280.00
Other Federal Revenues	8110, 8260-829	0.00	0.00	0.00	0.00	0.00
Total, Federal Revenues		0.00	256,596.00	256,596.00	368,533.00	387,654.00
3. Other State Revenues						
Charter Schools Categorical Block Grant	N/A thru 14/15					
Special Education - State	StateRevSE	0.00	97,628.00	97,628.00	132,775.00	170,189.00
All Other State Revenues	StateRevAO	40,409.00	7,276.00	47,685.00	60,287.00	76,732.00
Total, Other State Revenues		40,409.00	104,904.00	145,313.00	193,062.00	246,921.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	468,428.00	0.00	468,428.00	343,742.00	150,205.00
Total, Local Revenues		468,428.00	0.00	468,428.00	343,742.00	150,205.00
5. TOTAL REVENUES						
		2,218,496.00	361,500.00	2,579,996.00	3,452,736.00	3,999,189.00
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	357,069.00	129,365.00	486,434.00	578,932.00	755,483.00
Certificated Pupil Support Salaries	1200	61,332.00	0.00	61,332.00	135,694.00	158,320.00
Certificated Supervisors' and Administrators' Salaries	1300	303,179.00	0.00	303,179.00	297,855.00	306,791.00
Other Certificated Salaries	1900	20,000.00	0.00	20,000.00	20,000.00	20,000.00
Total, Certificated Salaries		741,580.00	129,365.00	870,945.00	1,032,481.00	1,240,594.00
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	195,140.00	0.00	195,140.00	397,159.00	470,921.00
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00	0.00	0.00	0.00	0.00
Clerical and Office Salaries	2400	63,960.00	0.00	63,960.00	64,720.00	66,014.00
Other Non-certificated Salaries	2900	107,264.00	0.00	107,264.00	173,625.00	188,401.00
Total, Non-certificated Salaries		366,364.00	0.00	366,364.00	635,504.00	725,336.00

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
Second Interim Report - MYP**

Charter School Name: Watsonville Prep School
 (continued) _____
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2019/20

Description	Object Code	FY 2019/20			Totals for 2019/20	Totals for 2020/21
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	69,427.69	22,121.42	91,549.10	168,752.00	213,518.00
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative Health and Welfare Benefits	3301-3302	28,382.05	3,880.95	32,263.00	66,932.00	78,115.00
Unemployment Insurance	3401-3402	82,968.83	10,251.97	93,220.80	196,929.00	247,407.00
Workers' Compensation Insurance	3501-3502	7,445.44	1,293.65	8,739.09	7,378.00	8,806.00
OPEB, Allocated	3601-3602	2,400.00	1,423.02	3,823.02	18,990.00	22,449.00
OPEB, Active Employees	3701-3702	0.00	0.00	0.00	0.00	0.00
PERS Reduction (for revenue limit funded schools)	3751-3752	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3801-3802	0.00	0.00	0.00	0.00	0.00
	3901-3902	0.00	0.00	0.00	0.00	0.00
Total, Employee Benefits		190,624.01	38,971.00	229,595.01	458,981.00	570,295.00
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	18,690.75	3,209.25	21,900.00	4,896.00	5,875.20
Books and Other Reference Materials	4200	14,303.80	2,524.20	16,828.00	9,058.00	10,869.60
Materials and Supplies	4300	51,413.45	4,586.55	56,000.00	44,466.00	53,359.20
Noncapitalized Equipment	4400	236,000.00	0.00	236,000.00	54,712.00	65,654.40
Food	4700	31,331.00	102,844.00	134,175.00	177,037.00	212,444.40
Total, Books and Supplies		351,739.00	113,164.00	464,903.00	290,169.00	348,202.80
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	0.00	0.00	0.00	0.00	0.00
Travel and Conferences	5200	16,800.00	0.00	16,800.00	20,094.00	24,112.80
Dues and Memberships	5300	7,855.00	0.00	7,855.00	5,300.00	6,360.00
Insurance	5400	13,000.00	0.00	13,000.00	12,621.00	15,145.20
Operations and Housekeeping Services	5500	15,000.00	0.00	15,000.00	36,112.00	43,334.40
Rentals, Leases, Repairs, and Noncap. Improvements	5600	38,500.00	0.00	38,500.00	43,709.00	52,450.80
Professional/Consulting Services and Operating Expen	5800	409,697.00	80,000.00	489,697.00	576,541.00	691,849.20
Communications	5900	6,000.00	0.00	6,000.00	25,140.00	30,168.00
Total, Services and Other Operating Expenditure		506,852.00	80,000.00	586,852.00	719,517.00	863,420.40
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. bas						
Land and Land Improvements	6100-6170	0.00	0.00	0.00	0.00	0.00
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00	0.00	0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00	0.00	0.00
Equipment	6400	0.00	0.00	0.00	0.00	0.00
Equipment Replacement	6500	0.00	0.00	0.00	0.00	0.00
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00	0.00	0.00
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00	0.00	0.00
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00	0.00	0.00
Transfers of Apportionments to Other LEAs - Spec. Ed	7221-7223SE	0.00	0.00	0.00	0.00	0.00
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00	0.00	0.00
All Other Transfers	7280-7299	0.00	0.00	0.00	0.00	0.00
Debt Service:						
Interest	7438	0.00	0.00	0.00	0.00	0.00
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00	0.00	0.00
Total, Other Outgo		0.00	0.00	0.00	0.00	0.00
8. TOTAL EXPENDITURES		2,157,159.01	361,500.00	2,518,659.01	3,136,652.00	3,747,848.20
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-		61,337.00	0.00	61,337.00	316,084.00	251,340.80

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
Second Interim Report - MYP**

Charter School Name: Watsonville Prep School
 (continued) _____
 CDS #: 44 77248 0138909
 Charter Approving Entity: SBE
 County: Santa Cruz
 Charter #: 2032
 Fiscal Year: 2019/20

Description	Object Code	FY 2019/20			Totals for 2019/20	Totals for 2020/21
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00	0.00	0.00
2. Less: Other Uses	7630-7699	0.00	0.00	0.00	0.00	0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00	0.00	0.00
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D)		61,337.00	0.00	61,337.00	316,084.00	251,340.80
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	0.00	0.00	0.00	186,334.00	506,494.00
b. Adjustments to Beginning Balance	9793, 9795	124,997.00	0.00	124,997.00		
c. Adjusted Beginning Balance		124,997.00	0.00	124,997.00	190,410.00	506,494.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		186,334.00	0.00	186,334.00	506,494.00	757,834.80
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00	0.00	0.00
Stores (equals object 9320)	9712	0.00	0.00	0.00	0.00	0.00
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00	0.00	0.00
All Others	9719	0.00	0.00	0.00	0.00	0.00
b. Restricted	9740	0.00	0.00	0.00	0.00	0.00
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00	0.00	0.00
Other Commitments	9760	0.00	0.00	0.00	0.00	0.00
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00	0.00	0.00
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	125,932.95	0.00	125,932.95	156,832.60	187,392.41
Unassigned/Unappropriated Amount	9790	60,401.04	0.00	60,401.04	349,661.40	570,442.39



Date: April 28, 2020

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: 2020-21 Santa Clara County Office of Education (SCCOE) CalSTRS Agreement

Recommendation

It is recommended that the Board approve the Direct Funded Charter School Retirement Reporting Agreement for Fiscal Year 2020-21.

Background

This agreement and the fee of \$2500 are required for all Direct Funded Charter Schools who offer retirement benefits to their employees through the California Teachers Retirement System (CalSTRS) and use the services of the Santa Clara County Office of Education (SCCOE) to process monthly CalSTRS retirement reports. This agreement between the SCCOE and Navigator Schools, Gilroy Prep is a yearly requirement.

Summary

Staff recommends the Board to approve the Direct Funded Charter School Retirement Reporting Agreement for Fiscal Year 2020-21.



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.
County Superintendent of Schools

Informational Bulletin

For Santa Clara School Districts

District Business and Advisory Services

Bulletin: 20-028

Date: April 9, 2020

To: Charter School Administrators

From: Nghia Do, District Business Advisor

Re: Direct Funded Charter School Retirement Reporting Agreement for Fiscal Year 2020-21

Deadline: July 1, 2020

The purpose of this bulletin is to remind all direct funded charter schools to submit the attached *Agreement for Charter School Retirement Reporting Services* together with the annual fee of \$2,500 for fiscal year 2020-21 on or before July 1, 2020. Please mail the check and signed agreement to:

**Santa Clara County Office of Education
Attn: District Business & Advisory Services
1290 Ridder Park Drive, MC 252
San Jose, CA 95131-2304**

The agreement and the fee are required for all direct funded charter schools who offer retirement benefits to their employees through the California State Teachers Retirement System (CalSTRS) and use the services of the Santa Clara County Office of Education (SCCOE) to process the monthly CalSTRS retirement reports.

To participate in the CalSTRS retirement programs, charter schools must meet the following criteria:

- Be recognized as a public charter school by the California Department of Education.
- Elect to participate in CalSTRS and enroll eligible employees as CalSTRS members.
- Provide documentation to CalSTRS via a school district or county office of education. In accordance with Education Code 47611.3, a school district or county office of education may charge the charter school for the cost of providing reporting services.

If a charter school elects to participate in CalSTRS, the charter school is required to inform all applicants for positions within the charter school, of the retirement system options offered to the employees of the charter school. If a charter school chooses to make the CalSTRS Retirement Plan available, all employees of the charter school who perform creditable service shall be entitled to have that service covered under the CalSTRS plan. Additionally, once a charter school elects to participate in CalSTRS, all parts of the Teachers' Retirement Law shall apply (Education Code 47611).

Please distribute this memo within your District as deemed appropriate.

Santa Clara County  Office of Education

**SANTA CLARA COUNTY OFFICE OF EDUCATION
AGREEMENT FOR CHARTER SCHOOL RETIREMENT REPORTING SERVICES**

This agreement is entered into this 28 day of April, by and between the Santa Clara County Office of Education (SCCOE) and the Navigator Schools Charter School (Charter).

The SCCOE is required to submit to the California State Teachers' Retirement System (CalSTRS), a uniform retirement data file for all school districts and charters within the county.

The Charter has determined that there is a need to enter into this agreement with the SCCOE for the services described herein:

It is mutually agreed by the parties as follows:

Services to be provided by the SCCOE

1. The SCCOE agrees to process CalSTRS reporting for the Charter.
2. The SCCOE will serve as the contact agency in working with CalSTRS in resolving problems and answering questions related to reporting and processing of retirement information.
3. The SCCOE will notify the Charter of retirement reporting exceptions and recommend possible resolutions.
4. The Charter staff may participate in all workshops offered to school districts (within Santa Clara County) for ongoing training and attend other informational meetings related to CalSTRS retirement plans.
5. The SCCOE will assist the Charter payroll representative in preparing appropriate entries for past reporting periods that were not processed prior to the effective date of this agreement.

Responsibilities of the Charter

1. The Charter agrees to provide the required retirement and payroll information necessary for timely completion and transmittal of CalSTRS information.
2. The Charter agrees to provide all payroll/retirement reporting data files and reports by the due dates established by the SCCOE to meet the retirement reporting schedules established by CalSTRS.
3. The Charter shall maintain all payroll records for its employees and furnish the SCCOE a copy upon request.
4. The Charter will designate one of its employees to serve as the contact person between the Charter and the SCCOE for matters related to reporting and processing of retirement information.
5. The Charter shall submit to the SCCOE the full amount of the retirement contributions that includes both the employer and employee amounts within two business days after the close of each payroll.

SCCOE's Fee and Payment Thereof

1. The Charter agrees to pay the SCCOE for the services described under this Agreement as follows:
 - \$2,500 per year to be paid upon signing and submission of this Agreement (On or before July 1st of every year).
 - A processing fee of \$175 for each submitted retirement data file that is not acceptable and must be replaced and reprocessed. These fees shall be assessed monthly and are payable upon demand.
2. The Charter agrees to reimburse the SCCOE for any penalties and/or other levies assessed by CalSTRS that were caused by acts of the Charter.

Duration of Agreement

The Agreement begins on July 1, 2020 and will must be renewed each fiscal year beginning July 1 and ending June 30.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

SANTA CLARA COUNTY OFFICE OF EDUCATION
DISTRICT BUSINESS AND ADVISORY SERVICES

Navigator Schools
CHARTER SCHOOL

Signature: _____

Signature: _____

Name: _____

Name: Kevin Sved

Title: _____

Title: CEO

Approved by the Charter Governing Board on

4/28/2020
Date

Authorized Charter Representative for the Submission of Retirement Files to the SCCOE STRS Connect Portal:

Name: Ami Ortiz

Title: Director of Business & Finance

E-Mail: ami.ortiz@navigatorschools.org

Phone: 831-217-4881